Strategic Investor

2/7/2006

Prepared for:
First Qrt 2006

Prepared by:
Tim J. Newell, CFP, CEP

Portfolio Snapshot

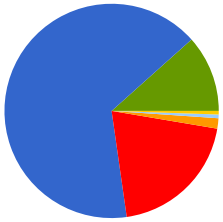
First Qrt 2006
Recommendation

Portfolio Value $275,000.00

Benchmark Standard & Poor's 500

Analysis

Composition %	Portfolio	Bmark
Cash	11.61	0.00
US Stocks	65.65	100.00
Non-US Stocks	20.09	0.00
Bonds	1.56	0.00
Others	0.55	0.00
Not Classified	0.54	0.00



Current Investment Style %

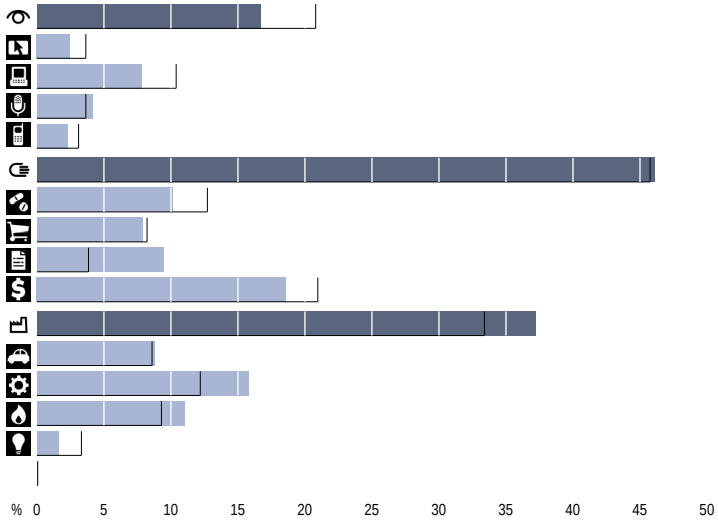
Style	Value	Core	Growth
Large Size	13	19	18
Medium	8	10	10
Small	9	7	7

Fixed-Income Investment Style %

Maturity	Short	Interm	Long
High Quality	0	0	0
Medium	0	0	0
Low	0	0	0

Sector Weightings

% of Stocks	Portfolio	Bmark
Information	**16.69**	**20.80**
Software	2.46	3.65
Hardware	7.79	10.39
Media	4.17	3.65
Telecommunication	2.26	3.11
Service	**46.06**	**45.75**
Healthcare Services	10.13	12.72
Consumer Services	7.88	8.22
Business Services	9.45	3.85
Financial Services	18.59	20.96
Manufacturing	**37.23**	**33.39**
Consumer Goods	8.80	8.59
Industrial Materials	15.82	12.19
Energy	10.98	9.29
Utilities	1.62	3.32
Not Classified	0.05	0.06



Regional Exposure

% of Assets	Portfolio	Bmark
Americas	**69.70**	**100.00**
North America	68.58	100.00
Latin America	1.12	0.00
Greater Europe	**8.22**	**0.00**
United Kingdom	1.54	0.00
Europe-Developed	6.11	0.00
Europe-Emerging	0.17	0.00
Africa/Middle East	0.40	0.00
Greater Asia	**7.80**	**0.00**
Japan	4.71	0.00
Australasia	0.09	0.00
Asia-Developed	2.24	0.00
Asia-Emerging	0.75	0.00
Not Classified	14.29	0.00

Performance

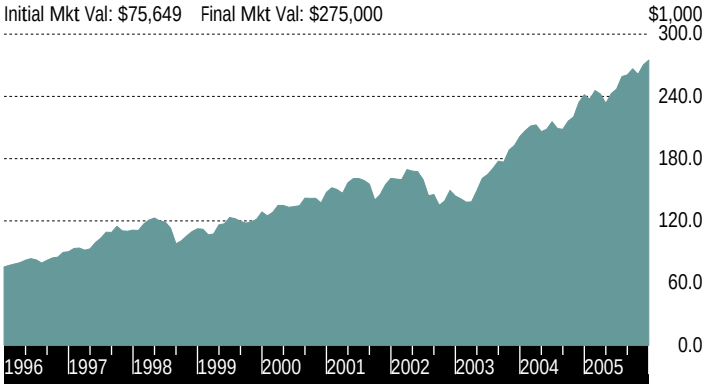
Trailing Returns

Returns % Through 12-31-2005	3Mo	1Yr	3Yr	5Yr	10Yr
Pre-Tax Portfolio Return	3.14	13.79	24.07	13.26	13.78
Benchmark Return	2.08	4.91	14.38	0.54	9.07
+/- Benchmark Return	1.06	8.88	9.69	12.72	4.71

Best/Worst Time Periods

	3Months	Return%	1 Year	Return%	3 Years	Return%
Best	04-03/06-03	19.07	04-03/03-04	53.65	10-02/09-05	25.46
Worst	06-98/08-98	-18.34	04-02/03-03	-18.36	04-00/03-03	0.83

Investment Activity Graph



Holdings

Top 5 holdings out of 11	Type	Holding Value $	% Assets
Dodge & Cox Stock	MF	45,900.00	16.69
Amer Funds Grth Fund F	MF	43,200.00	15.71
First Eagle Glbl A	MF	43,200.00	15.71
Franklin Bal Sh Invmt LW	MF	32,000.00	11.64
Rainier Sm/Mid Cap	MF	27,400.00	9.96

Next 5 holdings out of 11	Type	Holding Value $	% Assets
Third Avenue Value	MF	27,000.00	9.82
Royce Value Plus Inv	MF	16,500.00	6.00
Berwyn	MF	16,200.00	5.89
TA IDEX TA Sm/MdCp Val A	MF	13,600.00	4.95
BLDRS Emerging Markets 50 ADR Index	ETF	5,000.00	1.82

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Portfolio Snapshot

First Qrt 2006
Recommendation

Portfolio Value $275,000.00
Benchmark Standard & Poor's 500

Fundamental Analysis

Market Maturity

% of Stocks	Portfolio	Bmark
Developed Markets	96.67	100.00
Emerging Markets	1.20	0.00
Not Available	2.13	0.00

Geometric Avg Capitalization ($Mil)

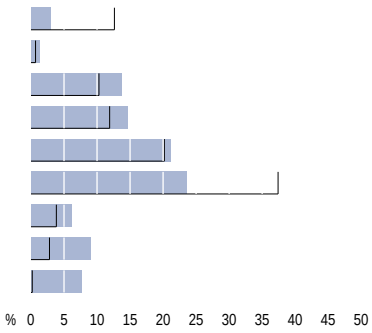
Portfolio	6,981.07
Benchmark	47,642.06

Valuation Multiples	Portfolio	Bmark
Price/Earnings	18.22	17.30
Price/Book	2.44	2.81
Price/Sales	1.38	1.50
Price/Cash Flow	11.41	10.79

Interest Rate Risk	Portfolio
Maturity	—
Duration (total portfolio)	—
Avg Credit Quality	—

Type Weightings

% of US Stocks	Portfolio	Bmark
High Yield	3.00	12.63
Distressed	1.26	0.69
Hard Asset	13.75	10.29
Cyclical	14.58	11.91
Slow Growth	21.19	20.19
Classic Growth	23.52	37.41
Aggressive Growth	6.09	3.84
Speculative Growth	9.02	2.80
Not Available	7.60	0.19



Profitability

% of US Stocks	Portfolio 2004	Bmark 2004
Net Margin	10.36	13.37
ROE	13.78	19.61
ROA	7.52	10.48
Debt/Capital	28.17	29.35

Credit Quality

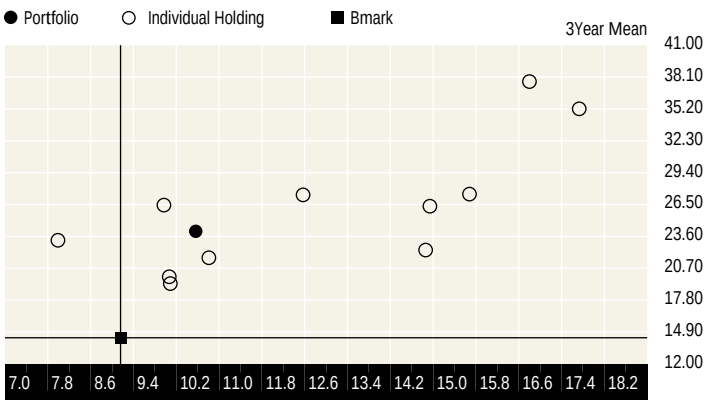
% of Bonds			
Govt.	—	BB	—
AAA	—	B	—
AA	—	Below B	—
A	—	NR/NA	100.00
BBB	—		

Fund Statistics

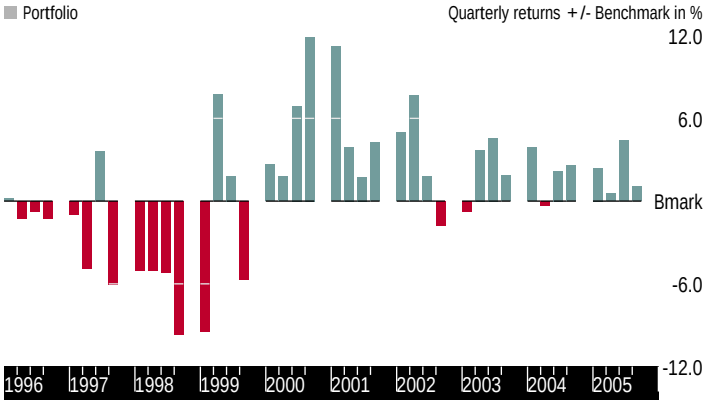
Potential Cap Gains Exposure	24.13
Avg Net Expense Ratio	1.01
Avg Gross Expense Ratio	1.02

Risk Analysis

Risk/Reward Scatterplot



Performance History Graph



Risk and Return Statistics	3Yr Portfolio	3Yr Bmark	5Yr Portfolio	5Yr Bmark	10Yr Portfolio	10Yr Bmark
Standard Deviation	10.56	9.16	13.55	14.93	13.01	15.63
Mean	24.07	14.38	13.26	0.54	13.78	9.07
Sharpe Ratio	1.93	1.30	0.83	-0.04	0.78	0.40

MPT Statistics	3Yr Portfolio	5Yr Portfolio	10Yr Portfolio
Alpha	7.55	11.69	5.82
Beta	1.07	0.81	0.69
R-squared	86	79	69

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Portfolio Snapshot

First Qrt 2006
Recommendation

Portfolio Value $275,000.00

Benchmark Standard & Poor's 500

Total 11 holdings as of 12-31-2005	Type	Holdings Date	% of Assets	Holding Value $	7-day Yield	1Yr Ret %	3Yr Ret %	5Yr Ret %	10Yr Ret %	Max Front Load %	Max Back Load %
Dodge & Cox Stock	MF	09-2005	16.69	45,900	—	9.37	19.93	11.03	14.59	NA	NA
Amer Funds Grth Fund F	MF	09-2005	15.71	43,200	—	14.25	19.31	—	—	NA	NA
First Eagle Glbl A	MF	10-2005	15.71	43,200	—	14.91	23.25	17.86	13.89	5.00	NA
Franklin Bal Sh Invmt LW	MF	09-2005	11.64	32,000	—	10.90	21.66	14.79	13.28	NA	NA
Rainier Sm/Mid Cap	MF	09-2005	9.96	27,400	—	17.53	26.35	9.16	12.54	NA	NA
Third Avenue Value	MF	10-2005	9.82	27,000	—	16.50	26.45	12.01	14.19	NA	NA
Royce Value Plus Inv	MF	09-2005	6.00	16,500	—	13.20	37.69	—	—	NA	NA
Berwyn	MF	11-2005	5.89	16,200	—	12.18	27.38	19.94	10.94	NA	NA
TA IDEX TA Sm/MdCp Val A	MF	09-2005	4.95	13,600	—	11.45	27.45	—	—	5.50	NA
BLDRS Emerging Markets 50 ADR Index	ETF	10-2005	1.82	5,000	—	40.79	34.81	—	—	NA	NA
Calamos Growth A	MF	09-2005	1.82	5,000	—	8.47	22.36	7.30	21.44	4.75	NA

Performance Disclosure

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please visit http://advisor.morningstar.com/familyinfo.asp.

See Disclosure Page for Standardized Returns.

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American Funds Grth Fund of Amer F

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★	03-15-01	MF	$13,981.9 mil	Large Growth
1368 Large Growth				

Performance 1-31-2006

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2004	3.47	1.02	-2.34	9.59	11.88
2005	-1.79	3.55	6.96	5.03	14.25
2006	—	—	—	—	5.05

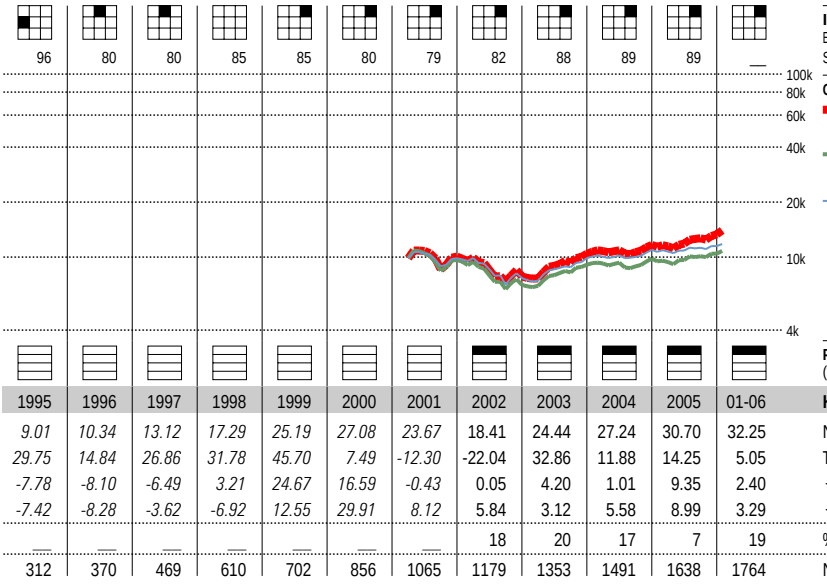
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	23.05	—	—	—	6.84
Std Quarterly	14.25	—	—	—	5.87
Total Return	23.05	22.13	*3.13*	*13.58*	6.84
+/- S&P 500	12.67	5.72	*2.76*	*4.59*	-0.41
+/- Rus 1000G	12.24	7.30	*7.66*	*7.02*	-5.08
% Rank Cat	8	5	*5*	*2*	
No. in Cat	1641	1368	1070	380	
7-day Yield	—				

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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Investment Style
Equity
Stock %

Growth of $10,000
Amer Funds Grth Fun $14,191
Cat Avg: Large Grow $10,958
Index: S&P 500 $11,958

Performance Quartile (within category)

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	01-06	History
9.01	*10.34*	*13.12*	*17.29*	*25.19*	*27.08*	*23.67*	18.41	24.44	27.24	30.70	32.25	NAV
29.75	*14.84*	*26.86*	*31.78*	*45.70*	*7.49*	*-12.30*	-22.04	32.86	11.88	14.25	5.05	Total Return %
-7.78	*-8.10*	*-6.49*	*3.21*	*24.67*	*16.59*	*-0.43*	0.05	4.20	1.01	9.35	2.40	+/- S&P 500
-7.42	*-8.28*	*-3.62*	*-6.92*	*12.55*	*29.91*	*8.12*	5.84	3.12	5.58	8.99	3.29	+/- Rus 1000Gro
—	—	—	—	—	—	—	18	20	17	7	19	% Rank Cat
312	370	469	610	702	856	1065	1179	1353	1491	1638	1764	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.29
12b1 Expense %	0.25
Prospectus Net Expense Ratio %	0.72
Prospectus Gross Expense Ratio %	0.70

Risk and Return Profile

	3 Yr 1,368 funds	5 Yr *1,070 funds*	10 Yr *380 funds*
Morningstar Rating™	5★	5☆	5☆
Morningstar Risk	Avg	*Avg*	*Avg*
Morningstar Return	High	*High*	*High*

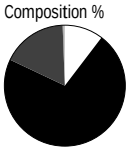
	3 Yr	5 Yr	10 Yr
Standard Deviation	10.05	*17.16*	*18.05*
Mean	22.13	*3.13*	*13.58*
Sharpe Ratio	1.85	*0.14*	*0.59*

MPT Statistics	Standard Index S&P 500	Best Fit Index Russell Midca
Alpha	4.26	2.10
Beta	1.05	0.76
R-Squared	88.15	89.85

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	27.10% Assets

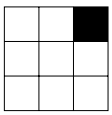
Portfolio Analysis 9-30-2005

Composition %



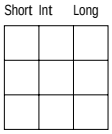
Cash	10.37
U.S. Stocks	71.66
Non-U.S. Stocks	17.38
Bonds	0.24
Other	0.36

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	21.2	1.22	0.92
P/C Ratio TTM	12.6	1.17	0.81
P/B Ratio TTM	3.1	1.12	0.79
Geo Avg Mkt Cap $mil	30237	0.64	0.94

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	86.2	0.86
Greater Europe	8.0	—
Greater Asia	5.8	—

270 Total Stocks
7 Total Fixed-Income
20% Turnover Ratio

Share Chg since 06-2005	Share Amount		% Net Assets
⊕	8 mil	Google	2.34
⊕	96 mil	Microsoft	2.16
	33 mil	Lowe's Companies	1.86
	27 mil	Altria Group	1.76
⊕	36 mil	Target	1.65
⊕	21 mil	Schlumberger	1.53
⊖	94 mil	Time Warner	1.48
	20 mil	Burlington Resources	1.43
⊖	41 mil	Texas Instruments	1.21
	67 mil	Corning	1.13
⊕	9 mil	Roche Holding	1.12
⊖	18 mil	Devon Energy	1.06
	15 mil	WellPoint	1.02
⊕	35 mil	General Electric	1.02
⊖	14 mil	Sanofi-Synthelabo	1.00

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	**26.0**	**1.28**
Software	3.4	0.95
Hardware	13.6	1.34
Media	5.6	1.61
Telecommunication	3.4	1.10
Service Economy	**39.2**	**0.86**
Healthcare Services	13.2	1.00
Consumer Services	10.9	1.35
Business Services	7.2	1.86
Financial Services	7.9	0.38
Manufacturing Economy	**34.7**	**1.02**
Consumer Goods	6.6	0.78
Industrial Goods	9.9	0.84
Energy	18.2	1.76
Utilities	0.0	0.00

Operations

Family: American Funds
Manager: James E. Drasdo
Tenure: 20.1 Years

Objective: Growth
Ticker: GFAFX
Min Auto Investment Plan: $50

Minimum IRA Purchase: $250
Minimum Initial Purchase: $250
Purchase Contraints:

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MORNINGSTAR®

BLDRS Emerging Markets 50 ADR Index

Overall Morningstar Rtg™	Prem/Discount	Mkt Price	Morningstar Cat
—	—	115.33	Diversified Emerging Mkts

Performance 12-31-2005

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2003	-9.30	24.14	13.56	17.69	50.48
2004	3.84	-8.16	4.82	16.72	16.68
2005	1.68	8.69	19.90	6.26	40.81

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Qtrly Mkt	40.80	—	—	—	—
Std Qtrly NAV	40.81	—	—	—	33.60
Mkt Total Ret	40.79	34.81	—	—	—
NAV Total Ret	40.81	35.21	—	—	33.60
+/- MSCI EAFE	27.27	11.53	—	—	—
+/- MSCI EM I	10.50	0.98	—	—	—
% Rank Cat	—	—	—	—	—
No. in Cat	—	—	—	—	—

Performance Disclosure

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call __ or visit www.bldrsfunds.com.

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	NA
12b1 Expense %	NA
Prospectus Gross Expense Ratio %	0.84
	NA

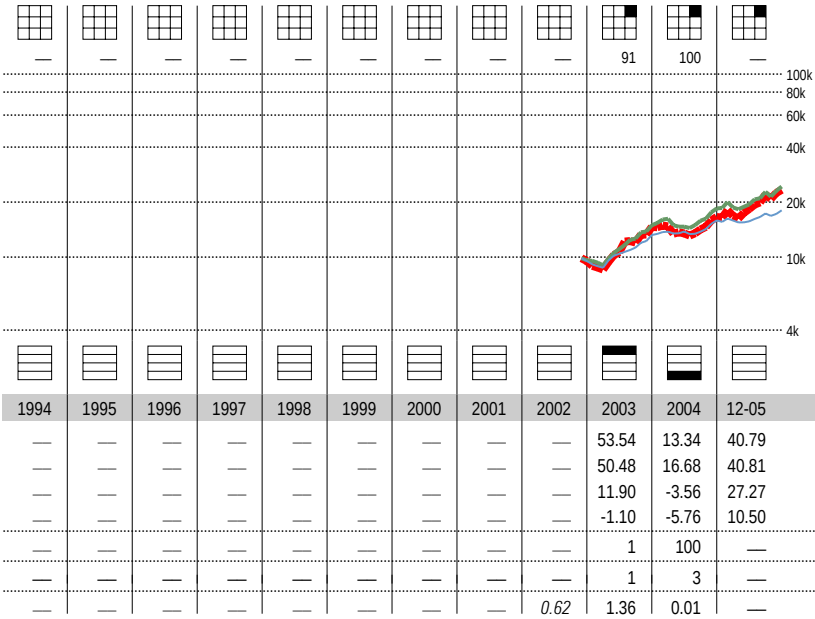
Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	—	—	—
MorningstarRating™	—	—	—
Morningstar Risk	—	—	—
Morningstar Return	—	—	—

	3 Yr	5 Yr	10 Yr
Standard Deviation	17.73	—	—
Mean	35.21	—	—
Sharpe Ratio	1.70	—	—

MPT Statistics	Standard Index MSCI EAFE NDT	Best Fit Index —
Alpha	4.85	—
Beta	1.25	—
R-Squared	67.46	—

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	—



Investment Style
Equity
Stock %

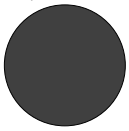
Growth of $10,000
- BLDRS Emerg Mkts 50 $23,644
- Cat Avg: Diversifie $24,645
- Index: MSCI EAFE ND $18,268

Performance Quartile (within category)

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	12-05	History
—	—	—	—	—	—	—	—	—	53.54	13.34	40.79	Mkt Total Ret %
—	—	—	—	—	—	—	—	—	50.48	16.68	40.81	NAV Total Ret %
—	—	—	—	—	—	—	—	—	11.90	-3.56	27.27	+/- MSCI EAFE
—	—	—	—	—	—	—	—	—	-1.10	-5.76	10.50	+/- MSCI EM I
—	—	—	—	—	—	—	—	—	1	100	—	% Rank Cat
—	—	—	—	—	—	—	—	—	1	3	—	No. of Funds in Cat
—	—	—	—	—	—	—	—	*0.62*	1.36	0.01	—	Avg Prem/Discount %

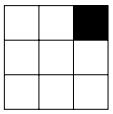
Portfolio Analysis 10-31-2005

Composition %



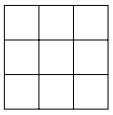
Cash	0.00
U.S. Stocks	0.00
Non-U.S. Stocks	100.00
Bonds	0.00
Other	—

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	13.9	0.87	—
P/C Ratio TTM	7.1	0.82	0.94
P/B Ratio TTM	2.5	0.89	1.00
Geo Avg Mkt Cap $mil	22647	—	2.83

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel MSCI EAFE
Americas	37.7	—
Greater Europe	15.9	0.24
Greater Asia	46.4	1.35

Share Chg since 09-2004	Share Amount	50 Total Stocks, 0 Total Fixed-Income, 16% Turnover Ratio	% Net Assets
⊕	2 mil	Taiwan Semiconductor Manufact	6.29
⊕	279,897	Teva Pharmaceutical Industrie	5.04
⊕	405,273	America Movil SA ADR	5.03
⊕	171,840	Petroleo Brasileiro S.A. ADR	4.66
⊕	148,548	Kookmin Bank ADR	4.10
⊕	367,434	China Mobile Hong Kong ADR	3.90
⊕	124,699	Petroleo Brasileiro ADR	3.77
⊕	111,935	Infosys Technologies ADR	3.60
⊕	142,319	Posco ADR	3.45
⊕	184,530	Companhia Vale Do Rio Doce (A	3.22
⊕	209,628	Sasol ADR	3.17
⊕	121,055	Cemex SA de CV ADR	2.98
⊕	81,832	PetroChina Company ADR	2.97
⊕	136,481	Companhia Vale Do Rio Doce	2.66
✲	103,298	Banco Bradesco S.A. (ADR)	2.53

Sector Weightings	Stocks %	Rel MSCI EAFE
Information Economy	**38.7**	**2.66**
Software	4.8	5.00
Hardware	9.3	2.71
Media	2.4	1.13
Telecommunication	22.2	2.77
Service Economy	**22.1**	**0.49**
Healthcare Services	5.0	0.69
Consumer Services	0.0	0.00
Business Services	1.4	0.24
Financial Services	15.6	0.58
Manufacturing Economy	**39.3**	**0.96**
Consumer Goods	3.0	0.22
Industrial Goods	20.0	1.49
Energy	13.9	1.62
Utilities	2.4	0.46

Operations

Family:	BLDRS	Ticker:	ADRE
Manager:	Management Team	Exchange	NAS
Tenure:	3.0 Years	Incept	11-08-02
Total Assets	$282 mil	NAV	115.23

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MORNINGSTAR®

Berwyn

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★	05-07-84	MF	$87.6 mil	Small Value
277 Small Value				

Performance 1-31-2006

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2004	4.51	3.70	2.64	10.39	22.82
2005	-0.51	3.22	9.85	-0.55	12.18
2006	—	—	—	—	6.91

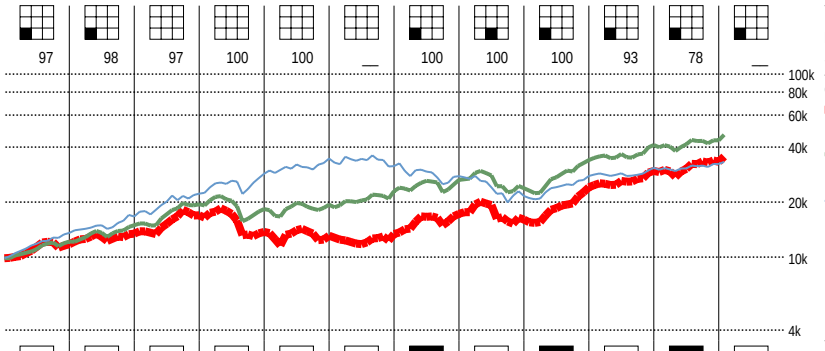
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	21.57	—	21.08	11.30	11.87
Std Quarterly	12.18	—	19.94	10.94	11.58
Total Return	21.57	31.78	21.08	11.30	11.87
+/- S&P 500	11.19	15.37	20.71	2.31	4.62
+/- Rus 2000V	3.64	4.08	6.34	-2.60	-3.70
% Rank Cat	12	11	3	89	
No. in Cat	356	277	193	60	
7-day Yield	—				

Performance Disclosure

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The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when sold, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-992-6757 or visit __.



Investment Style
Equity
Stock %

Growth of $10,000
Berwyn $35,940
Cat Avg: Small Valu $47,245
Index: S&P 500 $33,583

Performance Quartile (within category)

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	01-06	History
19.44	19.69	22.01	16.96	16.18	16.52	20.07	17.23	24.78	28.96	29.67	31.72	NAV
19.23	14.29	26.05	-18.90	-4.59	2.10	28.93	-6.87	50.01	22.82	12.18	6.91	Total Return %
-18.30	-8.65	-7.30	-47.47	-25.62	11.20	40.80	15.22	21.35	11.95	7.28	4.26	+/- S&P 500
-6.51	-7.07	-5.73	-12.45	-3.11	-20.72	14.91	4.55	3.99	0.58	7.48	-1.36	+/- Rus 2000Val
74	87	74	96	78	88	10	30	20	33	4	57	% Rank Cat
44	59	75	103	142	170	192	227	276	317	355	388	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	1.00
12b1 Expense %	0.00
Prospectus Net Expense Ratio %	1.20
Prospectus Gross Expense Ratio %	1.20

Risk and Return Profile

	3 Yr 277 funds	5 Yr 193 funds	10 Yr 60 funds
Morningstar Rating™	5★	5★	1★
Morningstar Risk	-Avg	Avg	Avg
Morningstar Return	+ Avg	High	Low

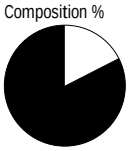
	3 Yr	5 Yr	10 Yr
Standard Deviation	12.42	16.19	16.77
Mean	31.78	21.08	11.30
Sharpe Ratio	2.14	1.14	0.50

MPT Statistics	Standard Index S&P 500	Best Fit Index Morningstar S
Alpha	10.49	7.51
Beta	1.18	0.78
R-Squared	72.15	82.70

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	44.22% Assets

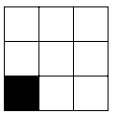
Portfolio Analysis 12-31-2005

Composition %



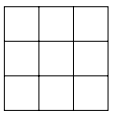
Cash	17.48
U.S. Stocks	82.52
Non-U.S. Stocks	0.00
Bonds	0.00
Other	0.00

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	16.4	0.95	0.96
P/C Ratio TTM	11.4	1.06	1.19
P/B Ratio TTM	1.8	0.63	0.94
Geo Avg Mkt Cap $mil	584	0.01	0.54

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	100.0	1.00
Greater Europe	0.0	—
Greater Asia	0.0	—

Share Chg since 11-2005	Share Amount	40 Total Stocks, 0 Total Fixed-Income, 23% Turnover Ratio	% Net Assets
⊖	296,000	Neoware Systems	3.72
⊕	390,900	American Equity Invest Life H	2.75
⊕	275,500	Ennis	2.70
⊕	337,200	United Online	2.58
⊕	258,500	Sensient Technologies	2.50
⊕	121,500	Lifepoint Hospitals	2.46
⊕	132,820	Courier	2.45
⊕	187,207	Gulf Island Fabrication	2.45
⊕	276,500	Duquesne Light Holdings	2.43
⊕	221,100	RehabCare Group	2.41
⊕	94,600	IHOP	2.39
⊕	163,800	SkyWest	2.37
⊕	201,566	Ducommun	2.32
⊕	100,679	Vital Signs	2.32
⊕	649,700	CIBER	2.31

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	**17.6**	**0.87**
Software	2.1	0.58
Hardware	9.9	0.98
Media	0.0	0.01
Telecommunication	5.6	1.83
Service Economy	**44.2**	**0.97**
Healthcare Services	11.9	0.90
Consumer Services	5.4	0.66
Business Services	14.6	3.78
Financial Services	12.4	0.60
Manufacturing Economy	**38.0**	**1.12**
Consumer Goods	9.7	1.16
Industrial Goods	15.0	1.27
Energy	10.3	0.99
Utilities	3.0	0.90

Operations

Family: Berwyn
Manager: Robert E. Killen
Tenure: 21.7 Years

Objective: Small Company
Ticker: BERWX
Min Auto Investment Plan: $3,000

Minimum IRA Purchase: $1,000
Minimum Initial Purchase: $3,000
Purchase Contraints: C/

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MORNINGSTAR®

Calamos Growth A

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★	09-04-90	MF	$14,093.1 mil	Mid-Cap Growth
804 Mid-Cap Growth				

Performance 1-31-2006

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2004	6.34	3.04	-3.85	12.61	18.64
2005	-5.81	1.84	7.45	5.22	8.46
2006	—	—	—	—	7.61

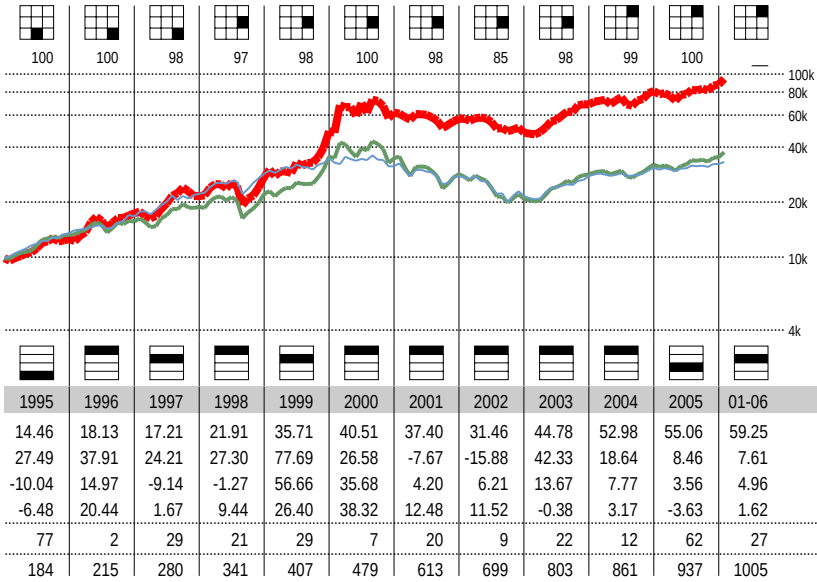
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	15.83	—	8.14	22.09	18.49
Std Quarterly	3.31	—	6.26	20.86	18.03
Total Return	21.61	25.95	9.19	22.68	18.86
+/- S&P 500	11.23	9.54	8.82	13.69	11.61
+/- Rus MidGr	-0.47	0.43	7.76	12.97	6.61
% Rank Cat	41	17	6	1	
No. in Cat	938	804	623	216	
7-day Yield	—				

Performance Disclosure

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-823-7386 or visit www.calamos.com.



Investment Style
Equity
Stock %

Growth of $10,000
Calamos Growth A $95,626
Cat Avg: Mid-Cap Gr $37,955
Index: S&P 500 $33,583

Performance Quartile (within category)

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	01-06	History
14.46	18.13	17.21	21.91	35.71	40.51	37.40	31.46	44.78	52.98	55.06	59.25	NAV
27.49	37.91	24.21	27.30	77.69	26.58	-7.67	-15.88	42.33	18.64	8.46	7.61	Total Return %
-10.04	14.97	-9.14	-1.27	56.66	35.68	4.20	6.21	13.67	7.77	3.56	4.96	+/- S&P 500
-6.48	20.44	1.67	9.44	26.40	38.32	12.48	11.52	-0.38	3.17	-3.63	1.62	+/- Rus MidGrow
77	2	29	21	29	7	20	9	22	12	62	27	% Rank Cat
184	215	280	341	407	479	613	699	803	861	937	1005	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	4.75
Deferred Load %	NA

Fund Expenses

Management Fees %	0.80
12b1 Expense %	0.25
Prospectus Net Expense Ratio %	1.23
Prospectus Gross Expense Ratio %	1.23

Risk and Return Profile

	3 Yr 804 funds	5 Yr 623 funds	10 Yr 216 funds
Morningstar Rating™	3★	5★	5★
Morningstar Risk	+Avg	-Avg	Avg
Morningstar Return	+Avg	High	High

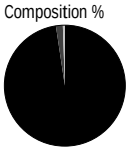
	3 Yr	5 Yr	10 Yr
Standard Deviation	15.11	15.50	26.14
Mean	25.95	9.19	22.68
Sharpe Ratio	1.48	0.50	0.77

MPT Statistics	Standard Index S&P 500	Best Fit Index Russell 2000
Alpha	4.40	3.39
Beta	1.32	0.84
R-Squared	60.93	90.92

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	25.75% Assets

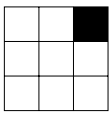
Portfolio Analysis 12-31-2005

Composition %



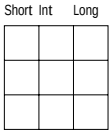
Cash	0.00
U.S. Stocks	97.63
Non-U.S. Stocks	1.84
Bonds	0.00
Other	0.53

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	24.9	1.44	1.03
P/C Ratio TTM	16.0	1.49	1.02
P/B Ratio TTM	4.0	1.45	1.09
Geo Avg Mkt Cap $mil	11632	0.25	2.11

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	99.4	0.99
Greater Europe	0.4	—
Greater Asia	0.1	—

179 Total Stocks, 0 Total Fixed-Income, 63% Turnover Ratio

Share Chg since 09-2005	Share Amount		% Net Assets
⊖	11 mil	Apple Computer	4.22
	28 mil	Motorola	3.50
⊕	1 mil	Google	3.18
	11 mil	eBay	2.68
⊖	10 mil	Amazon.com	2.61
⊕	5 mil	Express Scripts	2.07
⊕	10 mil	Hewlett-Packard	1.57
⊕	7 mil	Weatherford International	1.47
✲	8 mil	Advanced Micro Devices	1.37
	4 mil	Marvell Technology	1.32
	12 mil	Seagate Technology	1.29
⊕	5 mil	NII Holdings	1.19
	3 mil	Marriott International A	1.17
⊕	3 mil	SanDisk	1.13
⊕	4 mil	Broadcom	1.08

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	**33.1**	**1.63**
Software	3.9	1.07
Hardware	24.3	2.40
Media	1.5	0.43
Telecommunication	3.4	1.12
Service Economy	**47.4**	**1.04**
Healthcare Services	14.0	1.07
Consumer Services	14.2	1.76
Business Services	10.6	2.76
Financial Services	8.6	0.42
Manufacturing Economy	**19.5**	**0.57**
Consumer Goods	1.4	0.16
Industrial Goods	6.5	0.55
Energy	11.6	1.12
Utilities	0.0	0.00

Operations

Family:	Calamos	Objective:	Growth
Manager:	John P. Calamos, Sr.	Ticker:	CVGRX
Tenure:	15.4 Years	Min Auto Investment Plan:	$2,500
		Minimum IRA Purchase:	$500
		Minimum Initial Purchase:	$2,500
		Purchase Contraints:	

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MORNINGSTAR®

Dodge & Cox Stock

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★	01-04-65	MF	$52,184.2 mil	Large Value
1031 Large Value				

Performance 1-31-2006

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2004	4.96	1.06	-0.25	12.63	19.17
2005	0.12	0.56	5.44	3.01	9.36
2006	—	—	—	—	3.99

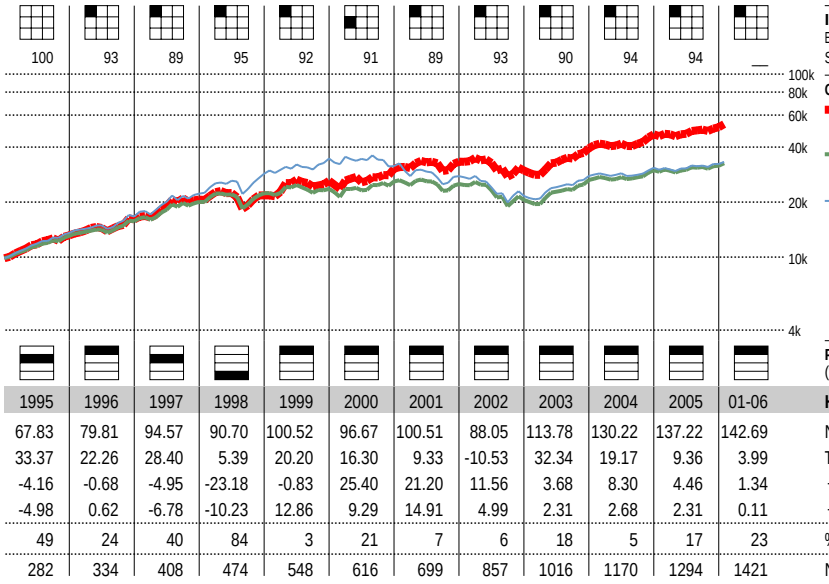
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	16.36	—	11.44	14.76	12.26
Std Quarterly	9.37	—	11.03	14.59	12.18
Total Return	16.36	22.72	11.44	14.76	12.26
+/- S&P 500	5.98	6.31	11.07	5.77	5.01
+/- Rus 1000V	3.14	2.76	5.44	3.73	-1.99
% Rank Cat	12	7	2	1	
No. in Cat	1296	1031	704	345	
7-day Yield	—				

Performance Disclosure

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Investment Style
Equity
Stock %

Growth of $10,000
Dodge & Cox Stock $54,015
Cat Avg: Large Valu $33,034
Index: S&P 500 $33,583

Performance Quartile (within category)

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	01-06	History
67.83	79.81	94.57	90.70	100.52	96.67	100.51	88.05	113.78	130.22	137.22	142.69	NAV
33.37	22.26	28.40	5.39	20.20	16.30	9.33	-10.53	32.34	19.17	9.36	3.99	Total Return %
-4.16	-0.68	-4.95	-23.18	-0.83	25.40	21.20	11.56	3.68	8.30	4.46	1.34	+/- S&P 500
-4.98	0.62	-6.78	-10.23	12.86	9.29	14.91	4.99	2.31	2.68	2.31	0.11	+/- Rus 1000Val
49	24	40	84	3	21	7	6	18	5	17	23	% Rank Cat
282	334	408	474	548	616	699	857	1016	1170	1294	1421	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.50
12b1 Expense %	0.00
Prospectus Net Expense Ratio %	0.53
Prospectus Gross Expense Ratio %	0.53

Risk and Return Profile

	3 Yr 1,031 funds	5 Yr 704 funds	10 Yr 345 funds
Morningstar Rating™	5★	5★	5★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	High	High	High

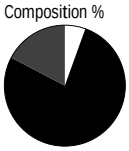
	3 Yr	5 Yr	10 Yr
Standard Deviation	9.79	13.41	14.45
Mean	22.72	11.44	14.76
Sharpe Ratio	1.94	0.71	0.77

MPT Statistics	Standard Index S&P 500	Best Fit Index MSCI World ND
Alpha	5.05	1.43
Beta	1.03	0.97
R-Squared	87.99	89.81

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	27.80% Assets

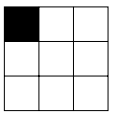
Portfolio Analysis 9-30-2005

Composition %



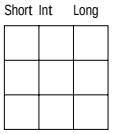
Cash	5.51
U.S. Stocks	77.15
Non-U.S. Stocks	17.34
Bonds	0.00
Other	0.00

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	17.5	1.01	1.11
P/C Ratio TTM	9.3	0.87	0.98
P/B Ratio TTM	2.0	0.73	0.87
Geo Avg Mkt Cap $mil	32034	0.68	0.87

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	82.0	0.82
Greater Europe	12.2	—
Greater Asia	5.8	—

89 Total Stocks, 0 Total Fixed-Income, 11% Turnover Ratio

Share Chg since 06-2005	Share Amount		% Net Assets
⊖	66 mil	Hewlett-Packard	3.85
⊕	51 mil	Comcast A	2.99
⊕	73 mil	Time Warner	2.64
⊖	20 mil	Cardinal Health	2.59
⊕	79 mil	News Cl A	2.46
⊕	37 mil	McDonald's	2.46
⊕	19 mil	Chevron	2.46
⊕	36 mil	Sony ADR	2.39
⊕	63 mil	Matsushita Electric Industria	2.15
⊖	15 mil	Union Pacific	2.12
⊖	23 mil	St. Paul Travelers Companies	2.04
⊕	12 mil	FedEx	2.01
⊕	22 mil	Wal-Mart Stores	1.96
⊖	20 mil	HCA	1.96
⊕	38 mil	Pfizer	1.89

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	**19.3**	**0.95**
Software	1.1	0.29
Hardware	8.5	0.85
Media	9.2	2.63
Telecommunication	0.5	0.16
Service Economy	**49.3**	**1.08**
Healthcare Services	15.8	1.20
Consumer Services	6.9	0.86
Business Services	8.2	2.13
Financial Services	18.4	0.89
Manufacturing Economy	**31.3**	**0.92**
Consumer Goods	6.2	0.74
Industrial Goods	13.8	1.16
Energy	9.4	0.90
Utilities	2.0	0.59

Operations

Family:	Dodge & Cox	Objective:	Growth and Income
Manager:	Harry R. Hagey	Ticker:	DODGX
Tenure:	32.0 Years	Min Auto Investment Plan:	$2,500
		Minimum IRA Purchase:	$1,000
		Minimum Initial Purchase:	$2,500
		Purchase Contraints:	C/

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MORNINGSTAR®

First Eagle Global A

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★	04-28-70	MF	$10,617.1 mil	World Allocation
56 World Allocation				

Performance 1-31-2006

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2004	5.46	-0.42	2.57	9.89	18.36
2005	2.57	-0.02	8.21	3.54	14.90
2006	—	—	—	—	4.99

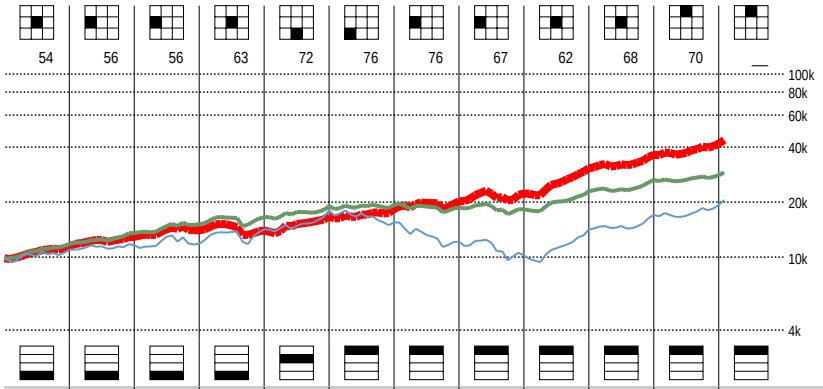
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	15.09	—	17.00	13.41	12.94
Std Quarterly	9.16	—	16.66	13.30	12.82
Total Return	21.15	25.27	18.21	13.99	13.10
+/- MSCI Eafe	-1.61	-2.70	12.39	7.56	2.49
+/- DJ 60% Gl	9.06	8.10	11.27	5.34	1.41
% Rank Cat	2	3	4	1	
No. in Cat	67	56	36	19	
7-day Yield	—				

Performance Disclosure

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The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when sold, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-334-2143 or visit www.firsteaglefunds.com.



Investment Style
Equity
Stock %

Growth of $10,000
- First Eagle Glbl A $44,289
- Cat Avg: World Allo $29,396
- Index: MSCI Eafe Nd $20,784

Performance Quartile (within category)

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	01-06	History
24.58	26.09	25.45	23.03	24.65	22.29	23.82	25.35	33.32	38.81	42.06	44.16	NAV
15.23	13.64	8.53	-0.26	19.56	9.72	10.20	10.23	37.64	18.36	14.90	4.99	Total Return %
4.03	7.60	6.76	-20.19	-7.47	23.90	31.62	26.17	-0.94	-1.88	1.37	-1.15	+/- MSCI Eafe N
-4.57	2.99	-3.37	-12.58	2.24	11.38	13.00	17.00	10.26	5.39	7.92	1.72	+/- DJ 60% Glob
83	84	89	90	43	9	4	7	5	6	18	11	% Rank Cat
18	19	26	29	30	32	36	40	55	62	62	77	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	5.00
Deferred Load %	NA

Fund Expenses

Management Fees %	0.75
12b1 Expense %	0.25
Prospectus Net Expense Ratio %	1.24
Prospectus Gross Expense Ratio %	1.24

Risk and Return Profile

	3 Yr 56 funds	5 Yr 36 funds	10 Yr 19 funds
Morningstar Rating™	5★	5★	5★
Morningstar Risk	+Avg	Avg	Avg
Morningstar Return	High	High	High

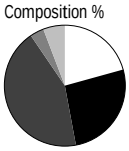
	3 Yr	5 Yr	10 Yr
Standard Deviation	8.13	9.82	9.26
Mean	25.27	18.21	13.99
Sharpe Ratio	2.58	1.53	1.06

MPT Statistics	Standard Index MSCI Eafe Ndt	Best Fit Index MSCI Wd xUSN
Alpha	5.14	4.74
Beta	0.68	0.68
R-Squared	87.47	88.33

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	23.22% Assets

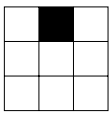
Portfolio Analysis 11-30-2005

Composition %



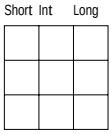
Cash	20.71
U.S. Stocks	26.35
Non-U.S. Stocks	43.43
Bonds	3.71
Other	5.80

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	18.1	1.08	1.22
P/C Ratio TTM	11.0	1.22	1.29
P/B Ratio TTM	2.4	0.80	0.98
Geo Avg Mkt Cap $mil	8917	0.35	0.38

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel MSCI Eafe
Americas	40.8	—
Greater Europe	36.6	0.57
Greater Asia	22.5	0.62

191 Total Stocks
47 Total Fixed-Income
12% Turnover Ratio

Share Chg since 10-2005	Share Amount		% Net Assets
	8 mil	Costco Wholesale	2.62
	773,370	Samsung Electnc	2.16
	8 mil	Sodexho Alliance	2.08
	7 mil	Toyota Motor	2.05
	1 mil	Nestle	2.04
⊕	40 mil	Liberty Media	1.96
	3,335	Berkshire Hathaway A	1.92
⊕	5 mil	Johnson & Johnson	1.87
	4 mil	Burlington Resources	1.75
	4 mil	Pargesa Holding	1.74
⊖	6 mil	Rayonier	1.63
	9 mil	Microsoft	1.55
⊕	406,030	Gold Commodity	1.29
	2 mil	Wendel Investissement	1.29
	6 mil	Vivendi Universal	1.16

Sector Weightings	Stocks %	Rel MSCI Eafe
Information Economy	**14.8**	**1.06**
Software	2.9	2.69
Hardware	1.1	0.31
Media	9.5	4.55
Telecommunication	1.3	0.18
Service Economy	**36.4**	**0.80**
Healthcare Services	4.4	0.62
Consumer Services	13.4	3.08
Business Services	7.9	1.31
Financial Services	10.6	0.38
Manufacturing Economy	**48.8**	**1.21**
Consumer Goods	22.1	1.62
Industrial Goods	21.6	1.53
Energy	5.1	0.64
Utilities	0.0	0.00

Operations

Family:	First Eagle	Objective:	Multi-Asset Global
Manager:	Charles de Vaulx	Ticker:	SGENX
Tenure:	6.2 Years	Min Auto Investment Plan:	$100
		Minimum IRA Purchase:	$1,000
		Minimum Intitial Purchase:	$2,500
		Purchase Contraints:	C/

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MORNINGSTAR®

Franklin Balance Sheet Investment A LW

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★	04-02-90	MF	$-999.0	Mid-Cap Value
259 Mid-Cap Value				

Performance 1-31-2006

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2004	5.36	3.43	1.87	12.87	25.30
2005	0.03	2.93	4.58	2.98	10.90
2006	—	—	—	—	5.54

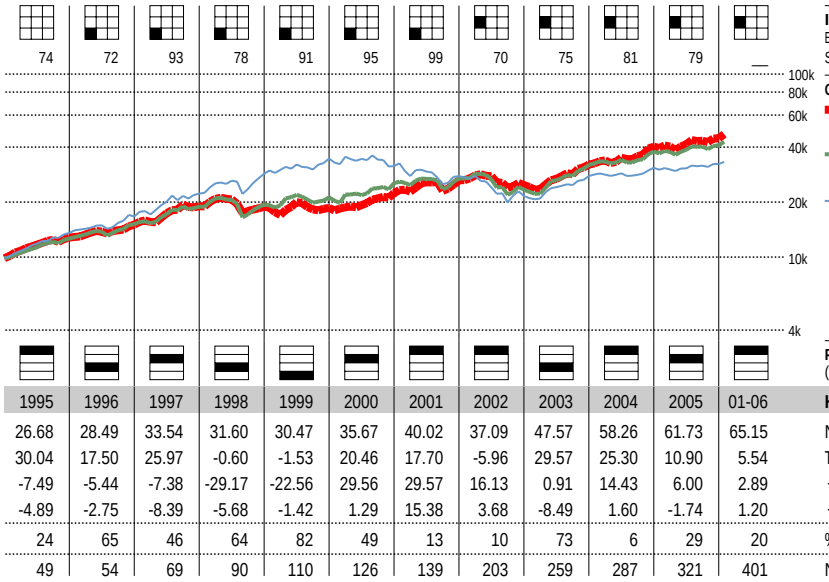
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	19.24	—	15.14	13.83	14.45
Std Quarterly	10.90	—	14.79	13.28	14.15
Total Return	19.24	24.83	15.14	13.83	14.45
+/- S&P 500	8.86	8.42	14.77	4.84	7.20
+/- RusMidVal	-1.09	-2.50	1.89	-0.03	0.32
% Rank Cat	24	33	5	26	
No. in Cat	323	259	146	55	
7-day Yield	—				

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when sold, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-342-5236 or visit www.franklintempleton.com.



Investment Style
Equity
Stock %

Growth of $10,000
Franklin Bal Sh Inv $47,649
Cat Avg: Mid-Cap Va $43,246
Index: S&P 500 $33,583

Performance Quartile (within category)

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	01-06	History
26.68	28.49	33.54	31.60	30.47	35.67	40.02	37.09	47.57	58.26	61.73	65.15	NAV
30.04	17.50	25.97	-0.60	-1.53	20.46	17.70	-5.96	29.57	25.30	10.90	5.54	Total Return %
-7.49	-5.44	-7.38	-29.17	-22.56	29.56	29.57	16.13	0.91	14.43	6.00	2.89	+/- S&P 500
-4.89	-2.75	-8.39	-5.68	-1.42	1.29	15.38	3.68	-8.49	1.60	-1.74	1.20	+/- RusMidValue
24	65	46	64	82	49	13	10	73	6	29	20	% Rank Cat
49	54	69	90	110	126	139	203	259	287	321	401	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.44
12b1 Expense %	0.22
Prospectus Net Expense Ratio %	0.91
Prospectus Gross Expense Ratio %	0.92

Risk and Return Profile

	3 Yr 259 funds	5 Yr 146 funds	10 Yr 55 funds
Morningstar Rating™	4★	5★	5★
Morningstar Risk	Avg	-Avg	Low
Morningstar Return	Avg	High	+Avg

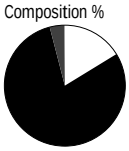
	3 Yr	5 Yr	10 Yr
Standard Deviation	10.76	12.57	12.04
Mean	24.83	15.14	13.83
Sharpe Ratio	1.94	1.01	0.83

MPT Statistics	Standard Index S&P 500	Best Fit Index Morningstar S
Alpha	6.75	3.63
Beta	1.04	0.72
R-Squared	74.44	92.86

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	—

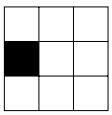
Portfolio Analysis 12-31-2005

Composition %



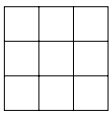
Cash	16.26
U.S. Stocks	79.71
Non-U.S. Stocks	3.89
Bonds	0.11
Other	0.02

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	13.4	0.78	0.83
P/C Ratio TTM	7.3	0.68	0.79
P/B Ratio TTM	1.6	0.56	0.75
Geo Avg Mkt Cap $mil	3415	0.07	0.52

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	97.8	0.98
Greater Europe	0.8	—
Greater Asia	1.3	—

Share Chg since 09-2005	Share Amount	116 Total Stocks, 1 Total Fixed-Income, 4% Turnover Ratio	% Net Assets
	2 mil	CIT Group	2.40
⊕	2 mil	Freddie Mac	2.24
⊖	1 mil	Peabody Energy	2.24
	1 mil	Prudential Financial	2.22
	2 mil	Bunge	2.15
	3 mil	Pulte Homes	2.14
	3 mil	Aztar	1.78
	3 mil	Old Republic International	1.70
	2 mil	Trinity Industries	1.67
	2 mil	DR Horton	1.64
	1 mil	Nucor	1.62
	647,500	American National Insurance	1.58
⊖	2 mil	United States Steel	1.55
	1 mil	Reliance Steel and Aluminum	1.48
⊕	3 mil	Corn Products International	1.41

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	**2.4**	**0.12**
Software	0.0	0.00
Hardware	2.2	0.22
Media	0.0	0.01
Telecommunication	0.2	0.06
Service Economy	**59.6**	**1.30**
Healthcare Services	1.1	0.09
Consumer Services	16.9	2.09
Business Services	11.5	2.99
Financial Services	30.1	1.46
Manufacturing Economy	**38.0**	**1.12**
Consumer Goods	9.1	1.08
Industrial Goods	18.3	1.54
Energy	5.3	0.51
Utilities	5.3	1.59

Operations

Family: Franklin Templeton Investments
Manager: Bruce Baughman
Tenure: 15.8 Years

Objective: Small Company
Ticker: FRBSX.LW
Min Auto Investment Plan: $50

Minimum IRA Purchase: $250
Minimum Initial Purchase: $1,000
Purchase Contraints: C/

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MORNINGSTAR®

Rainier Small/Mid Cap Equity

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★	05-10-94	MF	$1,545.2 mil	Mid-Cap Growth
804 Mid-Cap Growth				

Performance 1-31-2006

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2004	4.99	1.15	-3.12	14.07	17.36
2005	-0.06	2.30	11.55	3.05	17.53
2006	—	—	—	—	8.66

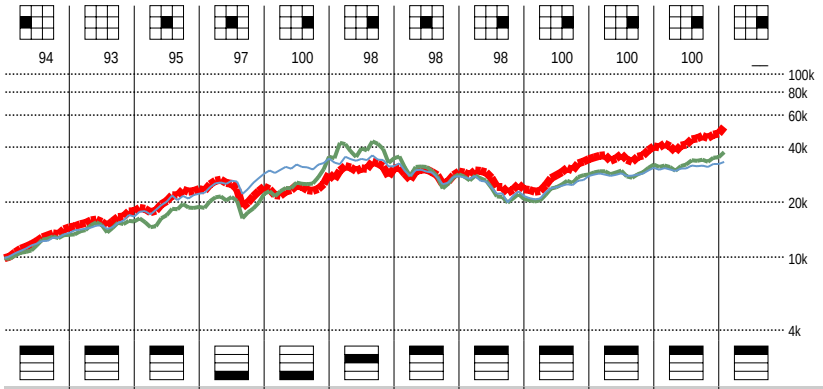
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	29.31	—	10.72	13.33	15.71
Std Quarterly	17.53	—	9.16	12.54	15.01
Total Return	29.31	30.25	10.72	13.33	15.71
+/- S&P 500	18.93	13.84	10.35	4.34	8.46
+/- Rus MidGr	7.23	4.73	9.29	3.62	3.46
% Rank Cat	6	4	2	10	
No. in Cat	938	804	623	216	
7-day Yield	—				

Performance Disclosure

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Investment Style
Equity
Stock %

Growth of $10,000
Rainier Sm/Mid Cap $52,145
Cat Avg: Mid-Cap Gr $37,955
Index: S&P 500 $33,583

Performance Quartile (within category)

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	01-06	History
16.94	18.78	22.45	22.19	26.11	23.92	21.93	17.54	25.65	29.04	33.15	36.02	NAV
47.48	22.55	32.23	2.97	17.66	7.02	-3.91	-20.01	46.23	17.36	17.53	8.66	Total Return %
9.95	-0.39	-1.12	-25.60	-3.37	16.12	7.96	2.08	17.57	6.49	12.63	6.01	+/- S&P 500
13.51	5.08	9.69	-14.89	-33.63	18.76	16.24	7.39	3.52	1.89	5.44	2.67	+/- Rus MidGrow
12	19	8	85	87	31	14	21	11	20	5	13	% Rank Cat
184	215	280	341	407	479	613	699	803	861	937	1005	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.85
12b1 Expense %	0.25
Prospectus Net Expense Ratio %	1.28
Prospectus Gross Expense Ratio %	1.28

Risk and Return Profile

	3 Yr 804 funds	5 Yr 623 funds	10 Yr 216 funds
Morningstar Rating™	5★	5★	4★
Morningstar Risk	+Avg	Avg	-Avg
Morningstar Return	High	High	+Avg

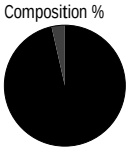
	3 Yr	5 Yr	10 Yr
Standard Deviation	15.32	18.40	19.37
Mean	30.25	10.72	13.33
Sharpe Ratio	1.69	0.53	0.55

MPT Statistics	Standard Index S&P 500	Best Fit Index S&P Midcap 40
Alpha	6.31	-0.17
Beta	1.43	1.24
R-Squared	70.03	88.78

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	21.21% Assets

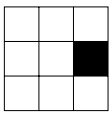
Portfolio Analysis 9-30-2005

Composition %



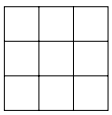
Cash	0.00
U.S. Stocks	96.46
Non-U.S. Stocks	3.54
Bonds	0.00
Other	0.00

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	21.1	1.22	0.87
P/C Ratio TTM	16.4	1.53	1.05
P/B Ratio TTM	3.5	1.23	0.93
Geo Avg Mkt Cap $mil	2740	0.06	0.50

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	98.9	0.99
Greater Europe	0.4	—
Greater Asia	0.7	—

Share Chg since 06-2005	Share Amount	119 Total Stocks, 0 Total Fixed-Income, 115% Turnover Ratio	% Net Assets
⊕	1 mil	Joy Global	3.33
⊕	665,600	Noble Energy	1.86
⊕	682,125	American Pharmaceutical Partn	1.86
⊕	581,500	Precision Castparts	1.84
⊕	731,900	Grant Prideco	1.77
⊕	385,950	Affiliated Managers Group	1.67
⊕	671,400	W.R. Berkley	1.58
⊕	343,750	Grupo Televisa ADR	1.47
⊕	363,650	Jacobs Engineering Group	1.46
⊕	482,250	Northern Trust	1.45
⊕	548,650	F5 Networks	1.42
⊕	971,477	Sunstone Hotel Investors	1.41
⊕	921,600	Labor Ready	1.41
⊕	472,800	CB Richard Ellis Group	1.39
⊕	496,100	Autodesk	1.37

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	**19.9**	**0.98**
Software	7.0	1.94
Hardware	10.4	1.03
Media	1.5	0.42
Telecommunication	1.1	0.35
Service Economy	**45.6**	**1.00**
Healthcare Services	13.8	1.05
Consumer Services	3.9	0.48
Business Services	10.8	2.79
Financial Services	17.2	0.84
Manufacturing Economy	**34.4**	**1.01**
Consumer Goods	4.0	0.47
Industrial Goods	16.4	1.38
Energy	12.3	1.18
Utilities	1.8	0.53

Operations

Family: Rainier
Manager: James R. Margard
Tenure: 11.8 Years

Objective: Growth
Ticker: RIMSX
Min Auto Investment Plan: —

Minimum IRA Purchase: $25,000
Minimum Initial Purchase: $25,000
Purchase Contraints:

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MORNINGSTAR®

Royce Value Plus Inv

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★	06-14-01	MF	$292.4 mil	Small Growth
660 Small Growth				

Performance 1-31-2006

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2004	11.08	2.31	-0.20	13.02	28.18
2005	-5.39	0.00	12.56	6.30	13.19
2006	—	—	—	—	10.31

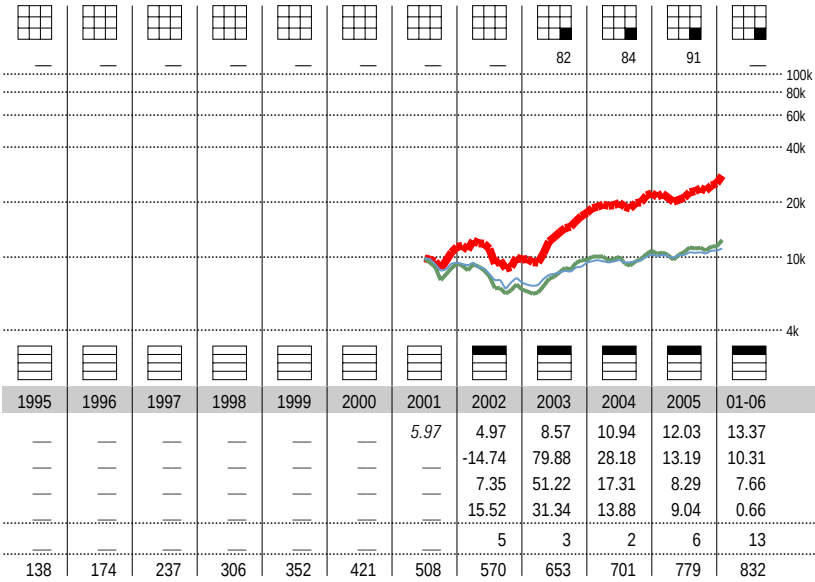
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	30.60	—	—	—	26.60
Std Quarterly	13.20	—	—	—	24.44
Total Return	30.60	41.88	—	—	26.60
+/- S&P 500	20.22	25.47	—	—	19.35
+/- Rus 2000G	11.01	16.03	—	—	16.05
% Rank Cat	4	1	—	—	
No. in Cat	780	660	514	182	
7-day Yield	—				

Performance Disclosure

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The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when sold, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-221-4268 or visit www.roycefunds.com.



Investment Style
Equity
Stock %

Growth of $10,000
Royce Value Plus In $28,270
Cat Avg: Small Grow $12,584
Index: S&P 500 $11,298

Performance Quartile (within category)

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	01-06	History
—	—	—	—	—	—	*5.97*	4.97	8.57	10.94	12.03	13.37	NAV
—	—	—	—	—	—	—	-14.74	79.88	28.18	13.19	10.31	Total Return %
—	—	—	—	—	—	—	7.35	51.22	17.31	8.29	7.66	+/- S&P 500
—	—	—	—	—	—	—	15.52	31.34	13.88	9.04	0.66	+/- Rus 2000Gro
—	—	—	—	—	—	—	5	3	2	6	13	% Rank Cat
138	174	237	306	352	421	508	570	653	701	779	832	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	1.00
12b1 Expense %	0.25
Prospectus Net Expense Ratio %	1.49
Prospectus Gross Expense Ratio %	1.55

Risk and Return Profile

	3 Yr 660 funds	5 Yr *514 funds*	10 Yr *182 funds*
Morningstar Rating™	5★	—	—
Morningstar Risk	+Avg	—	—
Morningstar Return	High	—	—

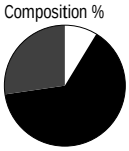
	3 Yr	5 Yr	10 Yr
Standard Deviation	17.30	—	—
Mean	41.88	—	—
Sharpe Ratio	2.01	—	—

MPT Statistics	Standard Index S&P 500	Best Fit Index Russell 2000
Alpha	13.53	11.47
Beta	1.56	1.01
R-Squared	65.40	82.98

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	25.63% Assets

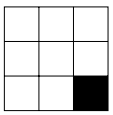
Portfolio Analysis 12-31-2005

Composition %



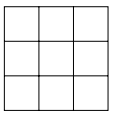
Cash	8.71
U.S. Stocks	63.98
Non-U.S. Stocks	27.31
Bonds	0.00
Other	0.00

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	19.7	1.14	0.83
P/C Ratio TTM	15.9	1.47	1.00
P/B Ratio TTM	2.9	1.03	0.89
Geo Avg Mkt Cap $mil	905	0.02	0.78

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	96.0	0.96
Greater Europe	4.0	—
Greater Asia	0.0	—

81 Total Stocks, 0 Total Fixed-Income, 56% Turnover Ratio

Share Chg since 09-2005	Share Amount		% Net Assets
	83,000	IPSCO	2.46
	170,000	Ensign Resource Service Grp	2.45
⊖	134,900	Trican Well Service Ltd	2.32
	186,000	Schnitzer Steel Industries A	2.03
⊕	405,000	Foundry Networks	2.00
	700,000	RealNetworks	1.94
⊕	227,700	eFunds	1.91
⊕	213,800	Adesa	1.87
⊖	172,700	Glamis Gold Ltd	1.70
⊕	258,600	Nu Skin Enterprises A	1.62
⊕	243,200	Tesco	1.61
⊕	179,000	Ceridian	1.59
⊕	190,000	Harris Steel Grp	1.52
	146,200	Drew Industries	1.47
⊕	272,400	Perrigo	1.45

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	**15.3**	**0.76**
Software	5.0	1.37
Hardware	8.1	0.81
Media	0.9	0.26
Telecommunication	1.3	0.42
Service Economy	**41.9**	**0.92**
Healthcare Services	17.9	1.37
Consumer Services	2.3	0.28
Business Services	17.3	4.50
Financial Services	4.3	0.21
Manufacturing Economy	**42.7**	**1.26**
Consumer Goods	4.3	0.51
Industrial Goods	28.8	2.42
Energy	9.7	0.94
Utilities	0.0	0.00

Operations

Family:	Royce	Objective:	Small Company
Manager:	W. Whitney George	Ticker:	RYVPX
Tenure:	4.6 Years	Min Auto Investment Plan:	$500
		Minimum IRA Purchase:	$500
		Minimum Initial Purchase:	$2,000
		Purchase Contraints:	

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MORNINGSTAR®

TA IDEX Transamerica Small/Mid Cp Val A

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★ 277 Small Value	04-02-01	MF	$43.5 mil	Small Value

Performance 1-31-2006

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2004	5.67	2.57	2.13	11.60	23.54
2005	1.15	2.03	9.46	-1.35	11.44
2006	—	—	—	—	9.65

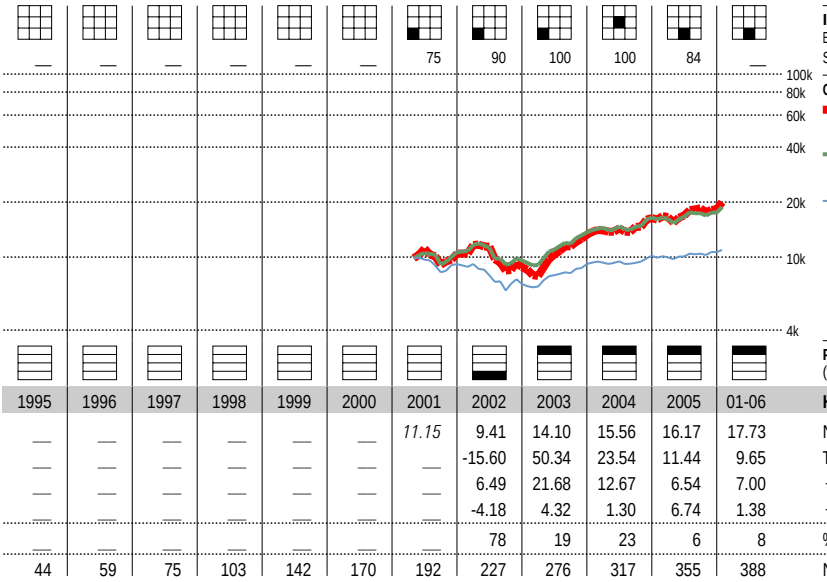
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	17.98	—	—	—	15.64
Std Quarterly	5.32	—	—	—	13.72
Total Return	24.85	32.80	—	—	17.00
+/- S&P 500	14.47	16.39	—	—	9.75
+/- Rus 2000V	6.92	5.10	—	—	1.43
% Rank Cat	5	6	—	—	
No. in Cat	356	277	193	60	
7-day Yield	—				

Performance Disclosure

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Investment Style
Equity
Stock %

Growth of $10,000
TA IDEX TA Sm/MdCp $20,273
Cat Avg: Small Valu $19,037
Index: S&P 500 $11,097

Performance Quartile (within category)

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	01-06	History
—	—	—	—	—	—	*11.15*	9.41	14.10	15.56	16.17	17.73	NAV
—	—	—	—	—	—	—	-15.60	50.34	23.54	11.44	9.65	Total Return %
—	—	—	—	—	—	—	6.49	21.68	12.67	6.54	7.00	+/- S&P 500
—	—	—	—	—	—	—	-4.18	4.32	1.30	6.74	1.38	+/- Rus 2000Val
—	—	—	—	—	—	—	78	19	23	6	8	% Rank Cat
44	59	75	103	142	170	192	227	276	317	355	388	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	5.50
Deferred Load %	NA

Fund Expenses

Management Fees %	0.80
12b1 Expense %	0.35
Prospectus Net Expense Ratio %	1.32
Prospectus Gross Expense Ratio %	1.59

Risk and Return Profile

	3 Yr 277 funds	5 Yr *193 funds*	10 Yr *60 funds*
Morningstar Rating™	4★	—	—
Morningstar Risk	+ Avg	—	—
Morningstar Return	+ Avg	—	—

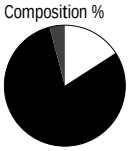
	3 Yr	5 Yr	10 Yr
Standard Deviation	15.95	—	—
Mean	32.80	—	—
Sharpe Ratio	1.75	—	—

MPT Statistics	Standard Index S&P 500	Best Fit Index Morningstar S
Alpha	7.65	3.14
Beta	1.48	1.01
R-Squared	69.24	84.50

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	—

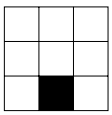
Portfolio Analysis 9-30-2005

Composition %



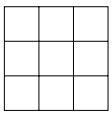
Cash	15.89
U.S. Stocks	80.03
Non-U.S. Stocks	4.07
Bonds	0.00
Other	0.00

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	18.5	1.07	1.08
P/C Ratio TTM	11.7	1.09	1.22
P/B Ratio TTM	2.5	0.90	1.35
Geo Avg Mkt Cap $mil	1486	0.03	1.37

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	95.6	0.96
Greater Europe	4.4	—
Greater Asia	0.0	—

66 Total Stocks
0 Total Fixed-Income
42% Turnover Ratio

Share Chg since 06-2005	Share Amount		% Net Assets
⊖	855,000	Superior Energy Services	3.66
⊖	455,000	Chesapeake Energy	3.23
⊖	1 mil	Aries Maritime Transport	2.80
	500,000	Edge Petroleum	2.45
⊖	270,000	Genlyte Group	2.41
⊖	875,000	Omega Healthcare Investors	2.26
⊖	253,000	GlobalSantaFe	2.14
⊖	382,500	HCC Insurance Holdings	2.02
	394,827	Aleris International	2.01
⊖	255,150	Todco A	1.97
✲	290,000	McDermott International	1.97
⊖	620,000	Host Marriott	1.94
⊖	240,000	Chemed	1.93
⊖	400,000	FTI Consulting	1.87
⊖	225,000	Orthofix International	1.82

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	**4.2**	**0.21**
Software	0.0	0.00
Hardware	2.1	0.21
Media	0.0	0.00
Telecommunication	2.1	0.70
Service Economy	**44.5**	**0.97**
Healthcare Services	7.3	0.55
Consumer Services	2.0	0.25
Business Services	15.1	3.92
Financial Services	20.1	0.97
Manufacturing Economy	**51.3**	**1.51**
Consumer Goods	4.7	0.56
Industrial Goods	17.9	1.51
Energy	27.2	2.62
Utilities	1.5	0.45

Operations

Family: Transamerica IDEX
Manager: Michelle E. Stevens
Tenure: 1.9 Years

Objective: Small Company
Ticker: IIVAX
Min Auto Investment Plan: $0

Minimum IRA Purchase: $1,000
Minimum Initial Purchase: $1,000
Purchase Contraints:

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MORNINGSTAR®

Third Avenue Value

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★ 352 Mid-Cap Blend	11-01-90	MF	$7,452.4 mil	Mid-Cap Blend

Performance 1-31-2006

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2004	8.95	2.21	1.25	12.27	26.60
2005	5.12	1.85	7.11	1.56	16.49
2006	—	—	—	—	3.69

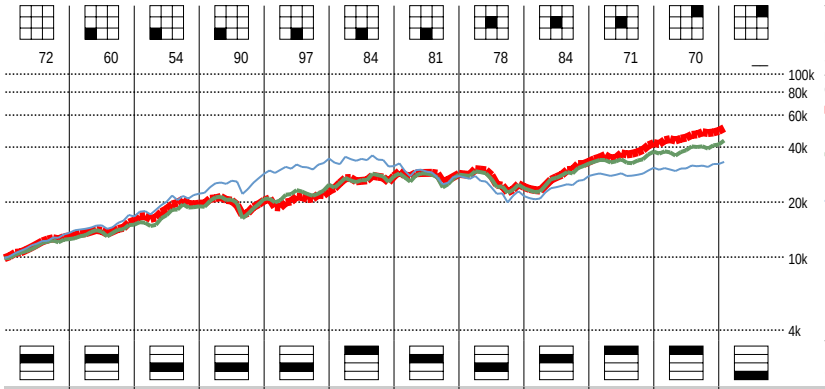
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	22.33	—	11.51	14.47	17.10
Std Quarterly	16.50	—	12.01	14.19	16.93
Total Return	22.33	29.11	11.51	14.47	17.10
+/- S&P 500	11.95	12.70	11.14	5.48	9.85
+/- S&PMid400	0.03	4.42	2.15	-0.37	1.15
% Rank Cat	17	7	17	20	
No. in Cat	452	352	256	98	
7-day Yield	—				

Performance Disclosure

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Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-443-1021 or visit www.thirdavenuefunds.com.



Investment Style
Equity
Stock %

Growth of $10,000
- Third Avenue Value $51,394
- Cat Avg: Mid-Cap Bl $43,957
- Index: S&P 500 $33,583

Performance Quartile (within category)

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	01-06	History
21.80	25.86	31.46	32.29	35.99	36.22	36.43	30.47	41.45	51.70	54.78	56.80	NAV
31.73	21.91	23.86	3.91	12.82	20.75	2.81	-15.18	37.08	26.60	16.49	3.69	Total Return %
-5.80	-1.03	-9.49	-24.66	-8.21	29.85	14.68	6.91	8.42	15.73	11.59	1.04	+/- S&P 500
0.82	2.73	-8.38	-15.20	-1.89	3.26	3.41	-0.65	1.49	10.14	3.95	-2.20	+/- S&PMid400
30	39	68	70	58	12	41	52	35	2	7	80	% Rank Cat
79	98	113	138	174	210	256	316	351	397	452	486	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	NA
Deferred Load %	NA

Fund Expenses

Management Fees %	0.90
12b1 Expense %	0.00
Prospectus Net Expense Ratio %	1.12
Prospectus Gross Expense Ratio %	1.12

Risk and Return Profile

	3 Yr 352 funds	5 Yr 256 funds	10 Yr 98 funds
Morningstar Rating™	5★	4★	4★
Morningstar Risk	Low	-Avg	-Avg
Morningstar Return	High	+Avg	+Avg

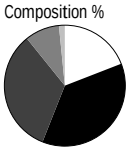
	3 Yr	5 Yr	10 Yr
Standard Deviation	9.63	13.80	14.18
Mean	29.11	11.51	14.47
Sharpe Ratio	2.51	0.70	0.77

MPT Statistics	Standard Index S&P 500	Best Fit Index Russell Midca
Alpha	12.86	6.53
Beta	0.83	0.77
R-Squared	59.64	74.82

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	28.35% Assets

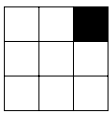
Portfolio Analysis 10-31-2005

Composition %



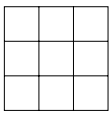
Cash	19.10
U.S. Stocks	36.91
Non-U.S. Stocks	33.20
Bonds	9.22
Other	1.56

Equity Style



Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	17.6	1.02	0.97
P/C Ratio TTM	—	—	—
P/B Ratio TTM	1.7	0.60	0.68
Geo Avg Mkt Cap $mil	6421	0.14	1.13

Fixed-Income Style



Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Analysis	Bond %
US Government	—
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500
Americas	59.9	0.60
Greater Europe	3.4	—
Greater Asia	36.7	—

87 Total Stocks
18 Total Fixed-Income
16% Turnover Ratio

Share Chg since 07-2005	Share Amount		% Net Assets
⊕	14 mil	Toyota Industries	7.87
⊕	3 mil	St. Joe	3.94
	3 mil	MBIA	3.53
⊕	4 mil	Brascan	3.49
	2 mil	Millea Holdings ADR	3.35
	5 mil	Forest City Enterprises A	2.89
	3 mil	Posco ADR	2.77
	1 mil	Legg Mason	2.71
	3 mil	Tejon Ranch	2.65
	11 mil	Mitsui Sumitomo Insurance	2.40
	251 mil	Collins & Aikman Prods 10.75%	2.14
	13 mil	Hutchison Whampoa Ltd	2.10
✲	86 mil	U S G 8.5%	1.97
	9 mil	AVX	1.95
	79 mil	U S G 9.25%	1.86

Sector Weightings	Stocks %	Rel S&P 500
Information Economy	**7.4**	**0.36**
Software	0.0	0.00
Hardware	4.4	0.43
Media	0.0	0.00
Telecommunication	3.0	0.99
Service Economy	**65.7**	**1.44**
Healthcare Services	2.5	0.19
Consumer Services	0.4	0.05
Business Services	4.3	1.13
Financial Services	58.5	2.83
Manufacturing Economy	**26.8**	**0.79**
Consumer Goods	11.4	1.36
Industrial Goods	10.7	0.90
Energy	3.8	0.37
Utilities	1.0	0.30

Operations

Family:	Third Avenue	Objective:	Growth
Manager:	Martin J. Whitman	Ticker:	TAVFX
Tenure:	15.3 Years	Min Auto Investment Plan:	$1,000
		Minimum IRA Purchase:	$500
		Minimum Initial Purchase:	$1,000
		Purchase Contraints:	

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Disclosure for Standardized and Tax Adjusted Returns

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit http://advisor.morningstar.com/familyinfo.asp

An investment in the fund is not insured or guaranteed by the FDIC or any other government agency. The current yield quotation more closely reflects the current earnings of the money market fund than the total return quotation. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

Standardized Returns assume reinvestment of dividends and capital gains. It depicts performance without adjusting for the effects of taxation, but are adjusted to reflect sales charges and ongoing fund expenses. If adjusted for taxation, the performance quoted would be significantly reduced. For variable annuities, additional expenses will be taken in account, including M&E risk charges, fund-level expenses such as management fees and operating fees, and contract-level administration fees, charges such as surrender, contract and sales charges.

After-tax returns are calculated using the highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after tax returns depend on the investor's tax situation and may differ from those shown. The after tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or an IRA. After-tax returns exclude the effects of either the alternative minimum tax or phase-out of certain tax credits. Any taxes due are as of the time the distributions are made, and the taxable amount and tax character of each distribution is as specified by the fund on the dividend declaration date. Due to foreign tax credits or realized capital losses, after-tax returns may be greater than before tax returns. After-tax returns for exchange-traded funds are based on net asset value.

Annualized returns 12-31-2005

Standardized Returns (%)	7-day Yield	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
Amer Funds Grth Fund F	--	14.25	--	--	5.87	03-15-2001	NA	NA	0.72	0.70
Berwyn	--	12.18	19.94	10.94	11.58	05-07-1984	NA	1.00	1.20	1.20
Calamos Growth A	--	3.31	6.26	20.86	18.03	09-04-1990	4.75	2.00	1.23	1.23
Dodge & Cox Stock	--	9.37	11.03	14.59	12.18	01-04-1965	NA	NA	0.53	0.53
First Eagle Glbl A	--	9.16	16.66	13.30	12.82	04-28-1970	5.00	2.00	1.24	1.24
Franklin Bal Sh Invmt LW	--	10.90	14.79	13.28	14.15	04-02-1990	NA	2.00	NA	0.92
Rainier Sm/Mid Cap	--	17.53	9.16	12.54	15.01	05-10-1994	NA	NA	1.28	1.28
Royce Value Plus Inv	--	13.20	--	--	24.44	06-14-2001	NA	1.00	1.49	1.55
TA IDEX TA Sm/MdCp Val A	--	5.32	--	--	13.72	04-02-2001	5.50	2.00	1.32	1.59
Third Avenue Value	--	16.50	12.01	14.19	16.93	11-01-1990	NA	1.00	1.12	1.12
BLDRS Emerging Markets 50 ADR Index-NAV	--	40.81	--	--	33.60	11-08-2002	NA	NA	NA	0.84
BLDRS Emerging Markets 50 ADR Index-Market	--	40.79	--	--	--	11-08-2002	NA	NA	NA	0.84
Standard & Poor's 500	**--**	**4.91**	**0.54**	**9.07**	**--**	**--**				
Lehman Bro's Agg Bond Index	**--**	**2.43**	**5.87**	**6.16**	**--**	**--**				
MSCI EAFE Index Ndtr_D	**--**	**13.54**	**4.56**	**5.84**	**--**	**--**				
3 Month T-Bill	**--**	**3.34**	**2.23**	**3.78**	**--**	**--**				

Returns after Taxes (%)	On Distribution					On Distribution and Sales of Shares			
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception
Amer Funds Grth Fund F	13.88	--	--	5.71	03-15-2001	9.43	--	--	4.98
Berwyn	10.70	18.58	9.55	10.00	05-07-1984	9.87	17.27	9.08	9.65
Calamos Growth A	2.67	6.12	18.82	16.07	09-04-1990	2.99	5.41	17.64	15.26
Dodge & Cox Stock	8.72	10.06	12.77	9.82	01-04-1965	6.82	9.11	12.05	9.57
First Eagle Glbl A	7.67	15.43	10.89	9.65	04-28-1970	6.63	13.96	10.23	9.39
Franklin Bal Sh Invmt LW	9.99	14.00	11.98	12.72	04-02-1990	7.91	12.61	11.08	11.98
Rainier Sm/Mid Cap	16.68	8.66	10.63	12.95	05-10-1994	11.73	7.74	9.87	12.13
Royce Value Plus Inv	12.41	--	--	23.39	06-14-2001	8.92	--	--	21.02
TA IDEX TA Sm/MdCp Val A	3.67	--	--	12.62	04-02-2001	4.34	--	--	11.50
Third Avenue Value	14.30	11.12	13.03	15.49	11-01-1990	12.23	10.06	12.13	14.70
BLDRS Emerging Markets 50 ADR Index-NAV	39.74	--	--	--	11-08-2002	26.42	--	--	--

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Portfolio Snapshot Report Disclosure Statement

General
Investment portfolios illustrated in this report can be scheduled or unscheduled. With an "unscheduled" portfolio, the user inputs only the portfolio holdings and their current allocations. Morningstar calculates returns using the given allocations assuming monthly rebalancing. Taxes, loads, and sales charges are not taken into account.

With "scheduled" portfolios, users input the date and amount for all investments into and withdrawals from each holding, as well as tax rates, loads, and other factors that would have affected portfolio performance. A hypothetical illustration is one type of scheduled portfolio.

Both scheduled and unscheduled portfolios are theoretical, for illustrative purposes only, and are not reflective of an investor's actual experience. For both scheduled and unscheduled portfolios, the performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return of stocks, mutual funds, and variable annuity/life products will fluctuate, and an investor's shares/units when redeemed will be worth more or less than the original investment. Stocks, mutual funds, and variable annuity/life products are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution. Portfolio statistics change over time.

Used as supplemental sales literature, the Portfolio Snapshot report must be preceded or accompanied by the fund/policy's current prospectus or equivalent. In all cases, this disclosure statement should accompany the Portfolio Snapshot report. Morningstar is not itself an NASD-member firm.

The underlying holdings of the portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. Investment in securities involve investment risks including possible loss of principal and fluctuation in value.

The information contained in this report is from the most recent information available to Morningstar as of the release date, and may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

Items to Note Regarding Certain Underlying Securities
A closed-end fund is an investment company, which typically makes one public offering of a fixed number of shares. Thereafter, shares are traded on a secondary market such as the New York Stock Exchange. As a result, the secondary market price may be higher or lower than the closed-end fund's net asset value (NAV). If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

An exchange-traded fund (ETF) is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. Like closed-end funds, ETFs can be traded on a secondary market and thus have a market price that may be higher or lower than its net asset value. If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

A holding company depository receipt (HOLDR) is similar to an ETF, but they focus on narrow industry groups and initially own 20 stocks which are unmanaged, and can become more concentrated due to mergers, or the disparate performance of their holdings. HOLDRs can only be bought in 100-share increments. Investors may exchange shares of a HOLDR for its underlying stocks at any time.

A money market fund is an investment company that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pays money market rates of interest. Money markets are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution. Although the money market seeks to preserve a stable per share value (i.e. $1.00 per share), it is possible to lose money by investment in the fund.

Unit investment trust (UIT) is an investment company organized under a trust agreement between a sponsor and trustee. UITs typically purchase a fixed portfolio of securities and then sell units in the trust to investors. The major difference between a UIT and a mutual fund is that a mutual fund is actively managed, while a UIT is not. On a periodic basis, UITs usually distribute to the unit holder their pro rata share of the trust's net investment income and net realized capital gains, if any. If the trust is one that invests only in tax-free securities, then the income from the trust is also tax-free. UITs generally make one public offering of a fixed number of units. However, in some cases, the sponsor will maintain a secondary market that allows existing unit holders to sell their units and for new investors to buy units.

Variable annuities are tax-deferred investments structured to convert a sum of money into a series of payments over time. Variable annuity policies have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a minimum death benefit, a schedule of payments, a fixed investment account guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount. The financial ratings quoted for an insurance company do not apply to the separate account and its subaccount. If the variable annuity subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. $1.00 per share), it is possible to lose money by investment in the fund.

Variable life insurance is a cash-value life insurance that has a variable cash value and/or death benefit depending on the investment performance of the subaccount into which premium payments are invested. Unlike traditional life insurance, variable life insurance has inherent risks associated with it, including market volatility, and is not viewed as a short-term liquid investment. For more information on a variable life product, including each subaccount, please read the current prospectus. Please note, the financial ratings noted on the report are quoted for an insurance company and do not apply to the separate account and its subaccount. If the variable life subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. $1.00 per share), it is possible to lose money by investment in the fund.

Pre-inception Returns
The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's list of holdings and again on the standardized returns page. When pre-inception data are presented in the report, the header at the top of the report will indicate this and the affected data elements will be displayed in italics.

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Portfolio Snapshot Report
Disclosure Statement (continued)

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures between a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

Scheduled Portfolio Trailing Returns
Scheduled Portfolios are customized by the user to account for loads, taxes, cash flows, and specific investment dates. Scheduled portfolios use the portfolio's investment history to calculate final market values and returns. For scheduled portfolios,both individual holding and portfolio returns are internal-rate-of-return calculations that reflect the timing and dollar size of all purchases and sales. For stocks and mutual funds, sales charges and tax rates are taken into account as specified by the user (except in the pre-tax returns, which reflect the impact of sales charges but not taxes). Note that in some scheduled portfolio illustrations, dividends and capital gains distributions, if applicable, are reinvested at the end of the month in which they are made at the month-end closing price. This can cause discrepancies between calculated returns and actual investor experience.

Scheduled Portfolio Returns-Based Performance Data
For scheduled portfolios, the monthly returns used to calculate alphas, betas, R-squareds, standard deviations, Sharpe ratios, and best/worst time-period data are internal rates of return.

Important VA Disclosure for Scheduled Portfolios
For variable annuity products, policy level charges (other than front-end loads, if input by the advisor) are not factored into returns. When withdrawals and liquidations are made, increases in value over the purchase price are taxed at the capital gains rate that currently is in effect. This is not reflective of the actual tax treatment for these products, which requires the entire withdrawal to be taxed at the income tax rate. If adjusted for sales charges and the effects of taxation, the subaccount returns would be reduced.

Scheduled Portfolio Investment Activity Graph
The historic portfolio values that are graphed are those used to track the portfolio when calculating returns.

Unscheduled Portfolio Returns
Monthly total returns for unscheduled portfolios are calculated by applying the ending period holding weightings supplied by the user to an individual holding's monthly returns. When monthly returns are unavailable for a holding (ie. Due to it not being in existence during the historical period being reported), the remaining portfolio holdings are re-weighted to maintain consistent proportions. Inception dates are listed in the Disclosure for Standardized and Tax Adjusted Returns. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Unscheduled portfolio returns thus assume monthly rebalancing. Returns for individual holdings are simple time-weighted trailing returns. Neither portfolio returns nor holding returns are adjusted for loads or taxes, and if adjusted for, would reduce the returns stated. The returns stated assume the reinvestment of dividends and capital gains. Mutual fund returns include all ongoing fund expenses. VA/VL returns reflect subaccount level fund expenses, including M&E expenses, administration fees, and actual ongoing fund level expenses.

Unscheduled Portfolio Investment Activity Graph
The historic performance data graphed is extrapolated from the ending portfolio value based on the monthly returns.

Benchmark Returns
Benchmark returns may or may not be adjusted to reflect ongoing expenses such as sales charges. An investment's portfolio may differ significantly from the securities in the benchmark.

Returns for custom benchmarks are calculated by applying user-supplied weightings to each benchmark's returns every month. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Custom benchmark returns thus assume monthly rebalancing.

Standardized Returns
For mutual funds, standardized return is total return adjusted for sales charges, and reflects all ongoing fund expenses. Following this disclosure statement, standardized returns for each portfolio holding are shown.

For money market mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses. Current 7-day yield more closely reflects the current earnings of the money market fund than the total return quotation.

For VA subaccounts, standardized return is total return based on its inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses.

For ETFs, the standardized returns reflect performance, both at market price and NAV price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing ETF expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

For HOLDRs, the standardized returns reflect performance at market price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

The charges and expenses used in the standardized returns are obtained from the most recent prospectus and/or shareholder report available to Morningstar. For mutual funds and VAs, all dividends and capital gains are assumed to be reinvested. For stocks, stock acquired via divestitures is assumed to be liquidated and reinvested in the original holding.

Non-Standardized Returns
For mutual funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the mutual fund returns would be reduced. Please note these returns can include pre-inception data and if included, this data will be represented in italics.

For money market funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the money market returns would be reduced.

For VA and VL subaccounts, non-standardized returns illustrate performance that is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum

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Portfolio Snapshot Report
Disclosure Statement (continued)

M&E risk charge, administrative fees and underlying fund-level expenses for various time periods. Non-Standardized performance returns assume reinvestment of dividends and capital gains. If adjusted for the effects of taxation, the subaccount returns would be significantly reduced. Please note these returns can include pre-inception data and if included, this data will be represented in italics.

Investment Advisory Fees
The investment(s) returns do not necessarily reflect the deduction of all investment advisory fees. Client investment returns will be reduced if additional advisory fees are incurred such as deferred loads, redemption fees, wrap fees, or other account charges.

Investment Style
The Morningstar® Style Box™ combines the various funds investment strategies. For the equity style box, the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth). For the fixed-income style box, the vertical axis shows the average credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate, or long).

Risk and Return
Standard deviation is a statistical measure of the volatility of a portfolio's returns around its mean.

Mean represents the annualized geometric return for the period shown.

Sharpe ratio uses a portfolio's standard deviation and total return to determine reward per unit of risk.

Alpha measures the difference between a portfolio's actual returns and its expected performance, given its beta and the actual returns of the benchmark index. Alpha is often seen as a measurement of the value added or subtracted by a portfolio's manager.

Beta is a measure of the degree of change in value one can expect in a portfolio given a change in value in a benchmark index. A portfolio with a beta greater than one is generally more volatile than its benchmark index, and a portfolio with a beta of less than one is generally less volatile than its benchmark index.

R-squared reflects the percentage of a portfolio's movements that are explained by movements in its benchmark index, showing the degree of correlation between the portfolio and a benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Fundamental Analysis
The below referenced data elements are a weighted average of the equity holdings in the portfolio.

The median market capitalization of a subaccount's equity portfolio gives you a measure of the size of the companies in which the subaccount invests.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a subaccount's portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The Price/Sales ratio is a weighted average of the price/sales ratios of the stocks in the underlying fund's portfolio. The P/S ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' revenues per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The return on assets (ROA) is the percentage a company earns on its assets in a given year. The calculation is net income divided by end-of-year total assets, multiplied by 100.

The Return on Equity (ROE) is the percentage a company earns on its shareholders' equity in a given year. The calculation is net income divided by end-of-year net worth, multiplied by 100.

Market Maturity shows the percentage of a holding's common stocks that are domiciled in developed and emerging markets.

The below referenced data elements listed below are a weighted average of the fixed income holdings in the portfolio.

The average credit quality is derived by taking the weighted average of the credit rating for each bond in the portfolio.

Average maturity is used for holdings in the taxable fixed-income category, this is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security. Credit quality breakdowns are shown for corporate-bond holdings and depicts the quality of bonds in the underlying portfolio. The analysis reveals the percentage of fixed-income securities that fall within each credit-quality rating as assigned by Standard & Poor's or Moody's.
debt). This figure is not provided for financial companies.

Debt as a percentage of capital is calculated by dividing long-term debt by total capitalization (the sum of common equity plus preferred equity plus long-term debt). This figure is not provided for financial companies.

Duration is a time measure of a bond's interest-rate sensitivity.

Net Margin is a measure of profitability. It is equal to annual net income divided by revenues from the same period for the past five fiscal years, multiplied by 100.

Type Weightings divide the stocks in a given holding's portfolio into eight type designations each of which defines a broad category of investment characteristics. Not all stocks in a given holding's portfolio are assigned a type. These stocks are grouped under NA.

The below referenced data elements listed below are a weighted average of the total holdings in the portfolio.

The average expense ratio is the percentage of assets deducted each year for operating expenses, management fees, and all other asset-based costs incurred by the fund, excluding brokerage fees. Please note for mutual funds, variable annuities/life, ETF and closed-end funds we use the gross prospectus ratio as provided in the prospectus. For separate accounts and stocks we pull the audited expense ratio from the annual report.

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Portfolio Snapshot Report
Disclosure Statement (continued)

Potential capital gains exposure is the percentage of a holding's total assets that represent capital appreciation.

Investment Risks

Market Price Risk: The market price of ETFs and HOLDRs traded on the secondary market is subject to the forces of supply and demand and thus independent of the NAV. This can result in the market price trading at a premium or discount to the NAV which will affect an investors value.

Market Risk: The market prices of ETFs and HOLDRs can fluctuate as to the result of several factors such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the market price.

International Emerging Market Funds/Subaccounts: The investor should note that funds and subaccounts that invest in international securities take on special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets normally accentuates these risks.

Sector Funds/Subaccounts: The investor should note that funds and subaccounts that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds/Subaccounts: The investor should note that funds or subaccounts that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small Cap Funds/Subaccounts: The investor should note that funds and subaccounts that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of price volatility than the overall market average.

Mid Cap Funds/Subaccounts: The investor should note that funds and subaccounts that invest in companies with market capitalizations below $10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bond Funds/Subaccounts: The investor should note that funds and subaccounts that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility and increased risk of default.

Tax-Free Municipal Bond Funds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

HOLDRs: The investor should note that these are narrow industry focused products that, if the industry is hit by hard times, will lack diversification and possible loss of investment would be likely. These securities can trade at a discount to market price, ownership is of a fractional share interest, the underlying investments may not be representative of the particular industry, the HOLDR might be delisted from the AMEX if the number of underlying companies drops below nine, and the investor may experience trading halts.

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Mutual Fund Detail Report Disclosure Statement

The Mutual Fund Detail Report is to be used as supplemental sales literature, and therefore must be preceded or accompanied by the fund's current prospectus and a disclosure statement. Please read the prospectus carefully. In all cases, this disclosure statement should accompany the Mutual Fund Detail Report. Morningstar is not itself an NASD-member firm. Portfolio information is based on the most recent information available to Morningstar.

Pre-inception Returns
The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's Performance section.

When pre-inception data are presented in the report, the header at the top of the report will indicate this. In addition, the pre-inception data included in the report will appear in italics.

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures between a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

Performance
The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares when redeemed may be worth more or less than the original investment. Fund portfolio statistics change over time. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution.

Total return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Standardized Total Return is reflected as of month- and quarter-end time periods. It depicts performance without adjusting for the effects of taxation, but is adjusted for sales charges, all ongoing fund expenses, and assumes reinvestment of dividends and capital gains. If adjusted for the effects of taxation, the performance quoted would be reduced. The sales charge used in the calculation was obtained from the fund's most recent prospectus and/or shareholder report available to Morningstar. Standardized returns never include pre-inception history.

Morningstar % Rank within Morningstar Category does not account for a fund's sales charge (if applicable). Rankings will not be provided for periods less than one year.

Growth of $10,000
The graph compares the growth of $10,000 in a fund with that of an index and with that of the average for all funds in its Morningstar category. The total returns are not adjusted to reflect sales charges or the effects of taxation, but are adjusted to reflect actual ongoing fund expenses, and assume reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted. The index is an unmanaged portfolio of specified securities and cannot be invested in directly. The index and the category average do not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

If pre-inception data is included in the analysis, it will be graphed.

Risk and Return
The Morningstar Rating is calculated for funds with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Please note that some Morningstar proprietary calculations, including the Morningstar Rating, may be calculated based on adjusted historical returns (pre-inception returns). If the extended performance rating is in effect, the "stars" are represented as unshaded stars. For each mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's adjusted monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. This investment's independent Morningstar Rating metric is then compared against the open-end mutual fund universe's actual performance breakpoints to determine its extended performance rating. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the actual performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Morningstar Return rates a mutual fund's performance relative to other funds in its Morningstar Category. It is an assessment of a fund's excess return over a risk-free rate (the return of the 90-day Treasury Bill), after adjusting for all applicable loads and sales charges, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the top 10% of funds earn a High Morningstar Return (HIGH), the next 22.5% Above Average (+AVG), the middle 35% Average (AVG), the next 22.5% Below Average (-AVG), and the bottom 10% Low (LOW). Morningstar Return is measured for up to three time periods (three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

Morningstar Risk evaluates a mutual fund's downside volatility relative to that of other funds in its Morningstar Category. It is an assessment of the variations in a fund's monthly returns, with an emphasis on downside variations, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the 10% of funds with the lowest measured risk are described as Low Risk (LOW), the next 22.5% Below Average (-AVG), the middle 35% Average (AVG), the next 22.5% Above Average (+AVG), and the top 10% High (HIGH). Morningstar Risk is measured for up to three time periods

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(three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

If pre-inception returns are included in this analysis, the risk and return profile data calculated on the basis of these returns will appear in italics.

Risk Measures
The risk measures below are calculated for funds with at least a three-year history.

Standard deviation is a statistical measure of the volatility of the fund's returns.

Mean represents the annualized geometric return for the period shown.

The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta). Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

Beta is a measure of a fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

R-squared reflects the percentage of a fund's movements that are explained by movements in its benchmark index, showing the degree of correlation between the fund and the benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Risk measures calculated using pre-inception data, if included in the analysis, will be presented in italics.

Portfolio Analysis
The Morningstar Style Box reveals a fund's investment strategy. For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate or long).

Equity Portfolio Statistics
The referenced data elements below are a weighted average of the equity holdings in the portfolio.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12-months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a fund's portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

The geometric average market capitalization of a fund's equity portfolio offers a measure of the size of the companies in which the mutual fund invests.

Fixed-Income Portfolio Statistics
The referenced data elements below are a weighted average of the fixed income holdings in the portfolio.

Duration is a time measure of a bond's interest rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed income securities within the portfolio.

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

Average credit quality is calculated by taking the weighted average of the credit rating for each bond in the portfolio.

Average weighted coupon is generated from the fund's portfolio by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

Average weighted price is generated from the fund's portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the fund favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

Turnover Ratio is a decent proxy for how frequently a manager trades his or her portfolio. The inverse of a fund's turnover ratio is the average holding period for a security in the fund. As turnover increases, a fund's brokerage costs typically rise as well.

Operations
Purchase constraints denote if a mutual fund has any of the following qualities: Qualified Access (A), Institutional (T), Closed to New Investments, (C) or Closed to All Investments (L). Because these qualities can all act as restrictions and/or requirements for investment, they are grouped together.

Potential capital gains exposure is the percentage of a mutual fund's total assets that represent capital appreciation.

Investment Risk
International Funds/Emerging Market Funds: The investor should note that funds that invest in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Sector Funds: The investor should note that funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds: The investor should note that funds that einvest more

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of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small-Cap Funds: The investor should note that funds that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility that the overall market average.

Mid Cap Funds: The investor should note that funds that invest in companies with market capitalization below $10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bond Funds: The investor should note that funds that invest in lower-rated debt securities (commonly referred as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Tax-Free Municipal Bond Funds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

Fees and Expenses

Prospectus Gross Expense Ratio reflects the annual percentage of a fund's assets paid out in expenses. Expenses include management, 12B-1, transfer agent and all other asset-based fees associated with the fund's daily operations and distribution, with the exception of brokerage commissions. It does not reflect expenses that have been reimbursed by the investment advisor, reductions from brokerage service arrangements or other expense offset arrangements.

Prospectus Net Expense Ratio reflects actual expenses paid by the fund as well as any voluntary waivers, reductions from brokerage service arrangements and any other expense offset arrangements.

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ETF Detail Report Disclosure Statement

The Exchange-traded Fund (ETF) Detail report is supplemental sales literature, and therefore must be preceded or accompanied by the fund's current prospectus or an equivalent statement. Please read this information carefully. In all cases, this disclosure statement should accompany the ETF Detail Report. Morningstar is not itself an NASD-member firm. All data presented is based on the most recent information available to Morningstar.

ETF's trading on a secondary market may trade at, above, or below their net asset value ("NAV"). If an ETF's shares trade at a price above their NAV they are said to be trading at a "premium." Conversely, if they are trading at a price below their NAV, they are said to be trading at a "discount."

A holding company depository receipt (HOLDR) is similar to an ETF, but they focus on narrow industry groups and initially own 20 stocks which are unmanaged, and can become more concentrated due to mergers, or the disparate performance of their holdings. HOLDRs can only be bought in 100-share increments. Investors may exchange shares of a HOLDR for its underlying stocks at any time.

The market price noted on the Detail Report is the price of the ETF as of the close of trading on the last business day at month-end. This date is listed at the top of the Detail Report.

Performance
The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares when sold may be worth more or less than the original investment. Portfolio statistics change over time. ETFs and HLDRs are not FDIC-insured, may lose value, and is not guaranteed by a bank or other financial institution.

For ETFs, standardized total return is reflected as of month- and quarter-end time periods. It depicts performance without adjusting for brokerage commissions and the effects of taxation, but is adjusted to reflect all actual ongoing ETF fund expenses and assumes reinvestment of dividends and capital gains. If adjusted, the effects of brokerage commissions and taxation would reduce the performance quoted.

For HOLDRs, the standardized total return reflects performance at market price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

The 12-month yield is derived by summing the trailing 12-month's income distributions and dividing the sum by the last month's ending NAV, plus any capital gains distributed over the same period. Income refers only to interest payments from fixed-income securities and dividend payoffs from common stocks.

Growth of $10,000
The graph compares the growth of $10,000 invested in an ETF with that of an index and the average for all funds in its Morningstar Category. The NAV total returns are not adjusted to reflect the effects of taxation, but they are adjusted to reflect actual ongoing fund expenses and assume reinvestment of dividends and capital gains. If adjusted, effect of taxation would reduce the performance quoted.Please note, while the investor obtaining an ETF through the secondary market does not obtain it at NAV, the purpose in presenting this graph based on NAV is to provide an illustration of the historical performance of the ETF strategy. In no way should this performance be considered indicative of or a guarantee of the future performance of this ETF nor should it be viewed as a substitute for an actual investor experience.

The index is an unmanaged portfolio of specified securities, and cannot be invested in directly. The index and the category average do not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

Risk Measures
The risk measures below are calculated for ETFs with at least a three-year history.

Standard deviation is a statistical measure of the volatility of the ETF NAV returns.

Mean represents the annualized geometric NAV return for the period shown.

The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

Alpha measures the difference between an ETF's NAV returns and its expected performance, given its level of risk as measured by beta. Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

Beta is a measure of an ETF's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

R-squared reflects the percentage of an ETF's movements that are explained by movements in its benchmark index, showing the degree of correlation between the ETF and the benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Portfolio Analysis
The Morningstar Style Box reveals an ETF's investment strategy. For equity ETFs, the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth). For fixed-income ETFs, the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate, or long).

Equity Portfolio Statistics
The referenced data elements below are a weighted average of the equity holdings in the portfolio.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12-months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a fund's portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

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The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

The geometric average market capitalization of a fund's equity portfolio gives you a measure of the size of the companies in which the mutual fund invests.

Fixed-Income Portfolio Statistics
The referenced data elements below are a weighted average of the fixed income holdings in the portfolio.

Duration is a time measure of a bond's interest rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed income securities within the portfolio.

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

Average credit quality is calculated by taking the weighted average of the credit rating for each bond in the portfolio.

Average weighted coupon is generated from the fund's portfolio by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

Average weighted price is generated from the fund's portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the fund favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

Investment Risk
High-Yield Bond ETFs: The investor should note that ETFs with underlying holdings in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility and increased risk of default.

HOLDRs: The investor should note that these are narrow industry focused products that, if the industry is hit by hard times, will lack diversification and possible loss of investment would be likely. These securities can trade at a discount to market price, ownership is of a fractional share interest, the underlying investments may not be representative of the particular industry, the HOLDR might be delisted from the AMEX if the number of underlying companies drops below nine, and the investor may experience trading halts.

International/Emerging Market ETFs: The investor should note that ETFs with underlying holdings in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Liquidity Risk: The risk that the trading of an ETF may be halted due to such things as market conditions.

Market Price Risk: The market price of ETFs/HOLDRs traded on the secondary market is subject to the forces of supply and demand and thus independent of the ETFs/HOLDRs NAV. This can result in the market price trading at a premium or discount to the NAV which will affect an investors value.

Market Risk: The market prices of ETFs/HOLDRs can fluctuate due to the result of several factors such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact they may have on the market price.

Mid Cap ETFs: The investor should note that ETFs with underlying holdings in companies with smaller market capitalizations involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

Sector ETFs: The investor should note that ETFs with underlying holdings exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Small Cap ETFs: The investor should note that ETFs with underlying holdings in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

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Benchmark Disclosure

3 Month T-Bill
As tracked by the Wall Street Journal, this benchmark measure the yields of bank-sponsored certificates of deposit.

Dow Jones 60% Global Portfolio Index
This risk-based index consists stocks, bonds, and cash and is intended to represent 60% of the risk and return of the 100% Global Portfolio Index.

Lehman Brothers Aggregate Bond:
Govt/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index.

MSCI EAFE Ndtr_D:
This Europe, Australasia, and Far East index is a market-capitalization-weighted index of 21 non-U.S., industrialized country indexes.

MSCI EMF ID:
A capitalization-weighted index of stocks from 26 emerging markets that only includes issues that may be traded by foreign investors.

MSCI World ND:
Includes all 23 MSCI developed market countries.

MSCI World ex U.S. ND:
This index measures the performance of the stock market in 21 non-U.S. industrialized countries.

Morningstar US Small Cap Core Index:
Measures the performance of mid capitalization stocks that exhibit either: 1) both growth and value characteristics, or 2) neither growth nor value characteristics.

Morningstar US Small Cap Value Index:
Measures the performance of the small capitalization stocks that are undervalued.

Russell 1000 Growth Index:
Tracks the companies within the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index:
Tracks the companies within the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index:
Tracks the companies within the Russell 2000 Index that have higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Index:
Consists of the 2000 smallest companies in the Russell 3000 Index.

Russell 2000 Value Index:
Tracks the companies within the Russell 2000 Index that have lower price-to-book ratios and lower forecasted growth values.

Russell Mid Cap Growth Index:
Tracks the companies within the Russell Midcap Index with higher price-to-book ratios and higher forecasted growth values.

Russell Mid Cap Value Index:
Tracks the companies within the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.

Standard & Poor's 500:
A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market.

Standard & Poor's Midcap 400
This index is comprised of stocks in the middle-capitalization range, and includes approximately 10% of the capitalization of U.S. equity securities.

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